



**Escorts
Investment
Bank**



**ANNUAL
REPORT**

2024

Escorts Investment Bank Limited

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FINANCIAL CALENDER

2023 2024

1st Quarter results issued on	October 27, 2023
2nd Quarter results issued on	February 23, 2024
3rd Quarter results issued on	April 29, 2024
Recommendation of Annual Results by the BOD	October 07, 2024
29th AGM scheduled for approval of Annual Results	October 28, 2024

VISION AND MISSION STATEMENT



VISION STATEMENT

Value addition for our stakeholders through enhanced business activity and emphasis on Better Risk Identification and Management as opposed to Risk Avoidance.

MISSION STATEMENT

To build Escorts Investment Bank Limited into an elite institute comparable with, if not better than, any top quality local or foreign financial institution, in terms of a progressive corporate culture and an autonomous, committed and dedicated Executive Management with

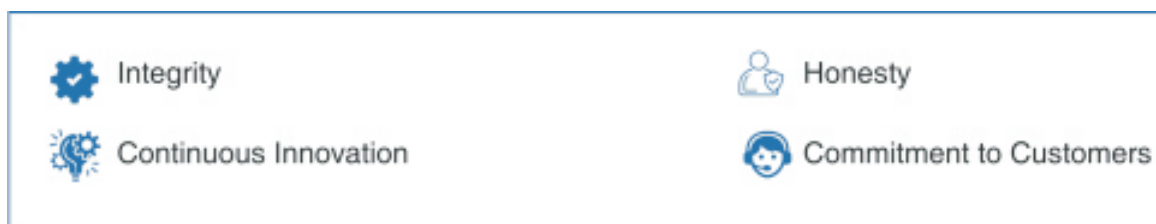
An Eye On The Future.

WHO WE ARE

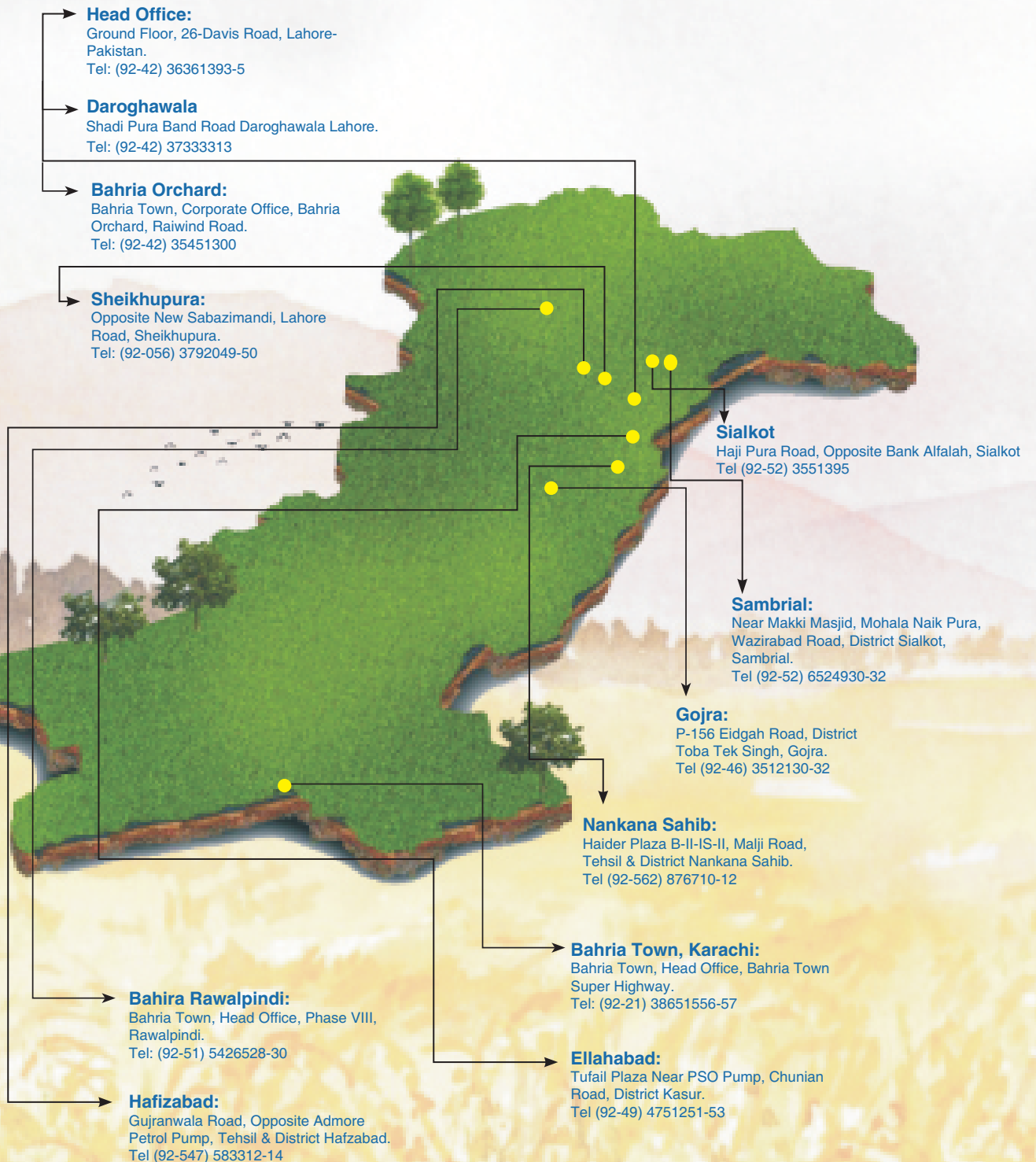


- Escorts Investment Bank Limited (EIBL) is a Non-Banking Financial Institution with IFS license. It was registered and incorporated in Pakistan on 15th May 1995.
- EIBL is regulated and supervised by Securities and Exchange Commission of Pakistan and is listed on Pakistan Stock Exchange Limited.
- EIBL focuses primarily on lending business including House Finance, Corporate Finance, Gold Finance & Micro Finance.

CORE VALUES



BRANCH NETWORK



CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Tahir Nawazish
(Chairman)
Mr. Basit Rehman Malik
(Chief Executive Officer)
Ms. Madiha Arooj
Mr. Muhammad Rasheed Alam

Applications for the fit and proper criteria of three proposed directors have been submitted to the SECP.

CHIEF FINANCIAL OFFICER

Ms. Najma Fazal

COMPANY SECRETARY

Kamran Chughtai

EXTERNAL AUDITORS

Ilyas Saeed & Company
Chartered Accountants

TAX CONSULTANTS

Ilyas Saeed & Company

LEGAL ADVISOR

Mandviwalla & Zafar
Advocates

SHARE REGISTRAR

Hameed Majeed Associates (Private) Limited

BANKERS TO THE COMPANY

Bank Alfalah Limited
MCB Bank Limited
Sindh Bank Limited
United Bank Limited
National Bank of Pakistan Limited

REGISTERED OFFICE

Ground Floor, 26-Davis Road, Lahore.
Tel: (92-42) 36361393-5
www.escortsbank.net
info@escortsbank.net
UAN: 042 111 003 425
Toll Free: 0800 03425



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NOTICE FOR CALLING ANNUAL GENERAL MEETING

Notice is hereby served to all the Members of the Company that the 29th Annual General Meeting of the Members of ESCORTS INVESTMENT BANK LIMITED (“Company”) will be held on Monday October 28, 2024 at 10:00 a.m. at Bahria Grand Hotel & Resort situated at Canal Bank Road, Executive Lodges, Sector-B, Bahria Town, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 27, 2023.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended June 30, 2024 together with the Auditor’s Report, Directors’ Report and Chairman’s Review Report thereon;
3. To appoint External Auditors for the year ending June 30, 2025 and fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, M/s Ilyas Saeed & Company Chartered Accountants who being eligible have offered themselves for reappointment.

SPECIAL BUSINESS:

4. To approve the circulation of the Annual Report (including the Audited Financial Statements, Auditor’s Report, Director’s Report, and Chairman’s Review Report) to the Members of the Company through QR-enabled code and weblink, following Section 223(6) of the Companies Act 2017 read with S.R.O. 389(1)/2023 dated March 21, 2023, by passing the following special resolution with or without modification:

“RESOLVED THAT the approval be and is hereby given to allow the Company to circulate the annual audited financial statement to its members/shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB, subject to the requirements of Notification No. S.R.O. 389(1)/2023 of Securities and Exchange Commission of Pakistan dated March 21, 2023”.

OTHER BUSINESS:

5. To transact any other business with the permission of the Chair.

Lahore
October 07, 2024

BY ORDER OF THE BOARD



KAMRAN CHUGHTAI
COMPANY SECRETARY

NOTICE FOR CALLING ANNUAL GENERAL MEETING

Notes:

1. Closure of Share Transfer Books

For attending AGM:

The Share Transfer Books of the Company will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers Physical / CDS received at the Share Registrar of the Company M/s Hameed Majeed Associates (Pvt.) Limited, HM House, 7 – Bank Square, Lahore, by close of business on Monday, October 21, 2024, will be considered in time for the purpose of attending and vote at the AGM.

2. Participation in the Annual General Meeting

All members are entitled to attend and vote at the Meeting. A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote in his / her behalf. Proxies in order to be effective must be received by the Company at the registered office not less than forty eight (48) hours before the time of holding meeting.

CDC Account Holders Will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the meeting:

- i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

- i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.

3. Circulation of Annual Reports through Digital Storage

Pursuant to the SECP's notification SRO 470(I) / 2016 dated 31st May, 2016 the Members of Escorts Investment Bank Limited during the Company's 24th Annual General Meeting held on October 28, 2019, had accorded their consent for transmission of Annual Reports including Audited Annual Financial Statements and other information contained therein of the Company through CD/DVD/USB

NOTICE FOR CALLING ANNUAL GENERAL MEETING

instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form available on the Company's website www.escortsbank.net and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand. The shareholders who also intend to receive the Annual Report including the notice of meetings via email are requested to provide their written consent on a standard request form which is available at the Company's website i.e. www.escortsbank.net

4. Distribution of Financial Statements through email (Optional)

Under provisions of section 223(6) of the Companies Act, 2017, the shareholders who intend to receive the Annual Report including the notice of meetings via email are requested to provide their written consent on a standard request form which is available at the Company's website i.e. www.escortsbank.net

5. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city other than Lahore, and collectively holding at least 10% of the total paid-up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form provided in the annual report and available on the company's website: www.escortsbank.net

In compliance with the guidelines issued by the Securities & Exchange Commission of Pakistan vide circulars No. 6 of 2021 issued on March 03, 2021, the company has arranged a video link facility for shareholders to participate in the meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities. Shareholders interested in attending the meeting through the video link are requested to register by submitting their following particulars at the Company Secretary's email Kamran.chughtai@escortsbank.net not later than 48 hours before the time for holding the meeting. The link to participate in the meeting will be sent to the shareholders at the email address provided by them. Shareholders are requested to fill in the particulars as per the below table:

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of Shares held	Cell No.	Email Address

The login facility will be opened at 09:55 a.m. on October 28, 2024, enabling the participants to join the proceedings.

6. Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

7. Conversion of physical shares into CDS

In compliance with the requirements of Section 72 of the Companies Act, every existing listed company shall be required to replace his/her physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

NOTICE FOR CALLING ANNUAL GENERAL MEETING

8. Availability of Annual Report on Website

The Company has placed the audited Financial Statements for the year ended June ended June 30, 2024, along with the Auditor's and Directors' Reports thereon, Chairman's Review and notice of meeting on its website: www.escortsbank.net

9. Procedure for voting on Special Business Resolution

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Escorts Investment Bank Limited (the "Company") will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on 28-10-2024, at 10.00 A.M., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

A. Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 21-10-2024.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of M/s Hameed Majeed Associates (Pvt) Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from 25-10-2024 and shall close on 27-10-2024 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

B. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through a post on the Company's registered address, Registered Office, Ground Floor, 26 – Davis Road, Lahore or email at chairman@escortsbank.net, one day before the Annual General Meeting i.e. on October 27, 2024, up to 5 p.m. The signature on the ballot paper shall match the signature on the CNIC. This postal Poll paper is also available for download from the website of the Company at www.escortsbank.net Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

NOTICE FOR CALLING ANNUAL GENERAL MEETING

E-voting Service Provider:

M/s Hameed Majeed Associates (Pvt) Limited

STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESSES TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS APPENDED BELOW:

Agenda Item No. 4 - **Approval of circulation of the Annual Audited Accounts of the Company to its members/shareholders through Quick Response (QR) enabled code and web link.**

Securities and Exchange Commission of Pakistan (SECP), through its Notification No. S.R.O. 389(1)/2023, dated March 21, 2023, has allowed the Companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through Quick Resposnce (QR) enabled code and weblink instead of through CD/DVD/USB. Considering the optimum use of advantages in technology and fulfilling the Company's corporate social responsibility to the environment and sustainability, members, approval is being sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the members of the company through QR enabled code and weblink following S.R.O 389(1)/2023 dated March 21, 2023.

The notice of the meeting shall be dispatched to members as per requirements of the Companies Act, 2017 (the Act), on their registered address, containing the QR code and the weblink address, to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

The Company shall send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, within one week if the member requests on the Standard Request Form available on the Company's Website.

None of the directors of the company have any personal interest in the above said special business, except in their capacity as members and directors of the Company.

اطلاع برائے سالانہ اجلاس عام

ایسکارٹس انویسٹمنٹ بینک لمیٹڈ

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس پبلیکیشن کے تمام اراکین کو مطلع کیا جاتا ہے کہ ایسکارٹس انویسٹمنٹ بینک لمیٹڈ کا اجماعہ اس سالانہ اجلاس عام بمقام بحریہ گریڈ ہوٹل اینڈ ریزورٹ، ایگزیکٹو بلاک، سیکٹری، بحریہ ٹاؤن لاہور، 28 اکتوبر، 2024 بروز پیر، صبح 10:00 بجے، درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا:

عمومی امور:

- 1) سالانہ اجلاس عام منعقدہ 27 اکتوبر، 2023 کے منٹس کی منظوری۔
- 2) 30 جون، 2024 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز رپورٹ، چیرمین کی جائیزہ رپورٹ اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض اور منظوری۔
- 3) 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے بیرونی محاسب (ایکسٹرنل آڈیٹرز) کی تقرری اور ان کے معاوضے کا تعین۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات پر میسرز الیاس سعید اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کے دوبارہ تقرری کی سفارش کی ہے، جنہوں نے تقرری کے لیے اپنی خدمات پیش کی ہیں۔

خصوصی امور:

- 4) سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ، اور چیرمین کی جائزہ رپورٹ) کو کمپنی کے ممبران کو QR-enable کوڈ اور ویب لنک کے ذریعے، کمپنیز ایکٹ 2017 کے سیکشن (6) 223 بشمول ایس آر او (1) 389 مورخہ مارچ 21، 2023 کے تحت مندرجہ ذیل شیڈ کی بلایا یا ترمیم منظوری۔

"مطے کیا گیا کہ کمپنی کو اجازت دی جاتی ہے کہ وہ اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے CD/DVD/USB کے بجائے کوئیک رسپانس (QR) کیو آر کوڈ اور ویب لنک کے ذریعے اپنے اراکین/انحصاس یافتگان کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشن نمبر 2023-S.R.O / 389(1) مورخہ 21 مارچ 2023 کے تحت

ترسیل کرے"

دیگر امور

- 5) اجلاس کے سربراہ کی اجازت سے کسی دیگر کارروائی پر غور و خوض۔

بجگم بورڈ
Kamran Chughtai
کامران چغتائی
کمپنی سیکرٹری

لاہور

07 اکتوبر 2024ء

اطلاع برائے سالانہ اجلاس عام

1. صحیفہ ذہنی کی کتابوں کی بندش

کمپنی کی شیئرز انسٹریٹس مورخہ 22 اکتوبر 2024ء سے 28 اکتوبر 2024ء (بشمول دونوں ایام) تک بند رہیں گی۔ اس اجلاس میں شرکت کرنے اور ووٹ کے استحقاق کے لیے صرف وہی شیئرز انسٹریٹس بروقت تصور ہوں گے جو میسرز حمید مجید ایسوسی ایشن پرائیویٹ لمیٹڈ، HM ہاؤس، 7 بینک سکوئیر، لاہور میں مورخہ 21 اکتوبر 2024ء بروز جمعہ، کاروباری اوقات کے اختتام تک موصول ہوں گے۔

2. اجلاس عام میں شرکت

(1) اجلاس میں شرکت

(1) انفرادی صورت کھاتہ دار یا ذیلی کھاتہ دار یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، کو شرکت کو وقت شناخت کے لیے اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(2) کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ، نمونہ دستخط نامزد کن (اگر پہلے فراہم نہ کی گئیں) اجلاس کے وقت پیش کرنے ہوں گے۔

ب) پراکسی کا تقرر

(i) انفرادی صورت کھاتہ دار یا ذیلی کھاتہ دار یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائیں گے۔

(ii) پراکسی فارم پر دو افراد کو ای ویں گے جن کے نام، پتے اور کمپیوٹرائزڈ شناختی کارڈ نمبر پراکسی فارم پر درج ہوں گے۔

(iii) متعلقہ مالکان کے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ پیش کرنی ہوں گی۔

(iv) پراکسی میٹنگ کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

(v) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ نمونہ کے دستخط پراکسی فارم کے ساتھ جمع کرائے جائیں گے۔

3. کھاتوں کی بذریعہ ڈیجیٹل سٹوریج ترسیل

ایس ای سی پی کے نوٹیفیکیشن ایس آر آر 470 (1) 2016 مورخہ 31 مئی 2016 کے مطابق 28 اکتوبر 2019 کو ہونے والی کمپنی کی 24 ویں سالانہ جنرل میٹنگ کے دوران ایریکارٹس انویسٹمنٹ بینک لمیٹڈ کے ممبران نے سالانہ رپورٹس کی ترسیل ہارڈ کاپوں کی بجائے بذریعہ CD/DVD/USB کے لیے اپنی رضامندی دی تھی جس میں آڈٹ شدہ سالانہ مالی کھاتے اور اس میں موجود دیگر معلومات۔ وہ شیئرز ہولڈرز جو مذکورہ دستاویزات کی ہارڈ کاپیاں حاصل کرنا چاہتے ہیں وہ کمپنی ٹیکرٹری/شیئرز رجسٹرار کو درخواست بھیج سکتے ہیں، درخواست فارم کمپنی کی ویب سائٹ www.escortsbank.net پر دستیاب ہے اور کمپنی مذکورہ دستاویزات شیئرز ہولڈرز کو ایک ہفتے کے اندر مفت فراہم کرے گی۔ حصص یافتگان جو سالانہ رپورٹ اور میٹنگ کے نوٹس بذریعہ ای میل حاصل کرنے کا ارادہ رکھتے ہوں سے درخواست ہے کہ وہ ایک معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں جو کمپنی کی ویب سائٹ یعنی www.escortsbank.net پر دستیاب ہے۔

4. کھاتوں کی بذریعہ ای میل ترسیل (اختیاری)

کمپنیز ایکٹ 2017 کی شق (6) 223 کے مطابق جو حصہ داران سالانہ رپورٹ اور اجلاس عام کا نوٹس بذریعہ ای میل حاصل کرنا چاہتے ہیں سے درخواست کی جاتی ہے کہ وہ اپنی رضامندی سٹیٹرز درخواست فارم پر دیں جو کمپنی کی ویب سائٹ www.escortsbank.net پر موجود ہے۔

5. ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ، 2017 کی دفعات کے مطابق، لاہور کے علاوہ کسی دوسرے شہر میں رہنے والے، اور مجموعی طور پر کل ادا شدہ شیئرز کھاتوں کا کم از کم 10 فیصد رکھنے والے شیئرز ہولڈرز کمپنی سے شرکت کے لیے ویڈیو لنک کی سہولت فراہم کرنے کا مطالبہ کر سکتے ہیں۔ میٹنگ میں ویڈیو لنک کی سہولت کا مطالبہ شیئرز رجسٹرار کو یہاں دیے گئے پتے پر میٹنگ کی تاریخ سے کم از کم 7 دن پہلے سالانہ رپورٹ میں فراہم کردہ معیاری فارم جو کمپنی کی ویب سائٹ www.escortsbank.net پر بھی دستیاب ہوگا۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے 03 مارچ 2021 کو جاری کردہ گزٹ نمبر 6 کے ذریعے جاری کردہ رہنمائی کی تعمیل میں، کمپنی نے شیئرز ہولڈرز کے لیے اپنے اسمارٹ فونز یا کمپیوٹرز یا ایسے کے ذریعے میٹنگ میں شرکت کرنے کے لیے ویڈیو لنک کی سہولت کا انتظام کیا ہے۔ میٹنگ میں حاضری کی رقم کارروائیوں کو مکمل کرنے کے بعد ان کے گھر یا کوئی آسان جگہ۔ ویڈیو لنک کے ذریعے میٹنگ میں شرکت میں دلچسپی رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ میٹنگ کے انعقاد کے وقت سے 48 گھنٹے

اطلاع برائے سالانہ اجلاس عام

پہلے کمپنی سیکرٹری کی ای میل Kamran.chughtai@escortsbank.net پر اپنی درج ذیل تفصیلات جمع کر کے رجسٹر کریں۔ مینٹگ میں شرکت کا انک شیز ہولڈرز کو ان کے فراہم کردہ ای میل ایڈریس پر بھیجا جائے گا۔ شیز ہولڈرز سے گزارش ہے کہ نیچے دیے گئے جدول کے مطابق تفصیلات بھریں۔

ای میل ایڈریس	کمپیوٹرائزڈ شناختی کارڈ نمبر	قولیڈ نمبر یا سی ڈی سی اکاؤنٹ نمبر	شیز کی تعداد	موبائل نمبر	شیز ہولڈر کا نام

لاگ ان کی سہولت 28 اکتوبر 2024 کو صبح 9:55 بجے کھولی جائے گی، جس سے شرکا کا روائی میں شامل ہو سکیں گے۔

6. بچے کی تبدیلی

ممبران سے درخواست ہے کہ وہ اپنے ہتوں میں کسی بھی قسم کی تبدیلی سے فوری طور پر مطلع کریں۔ حصص یافتگان سے درخواست کی جاتی ہے کہ (i) متعلقہ سینٹرل ڈپازٹری سسٹم (CDS) کے شرکا اور (ii) فزیکل سکیو رٹیز کی صورت میں کمپنی کے شیز رجسٹرار کو مذکورہ معلومات / دستاویزات فراہم کریں۔

7. فزیکل شیز کی سینٹرل ڈپازٹری سسٹم میں منتقلی

کمپنیز ایکٹ کے سیکشن 72 کے تقاضوں کی تعمیل میں، ہر موجودہ لٹھ کمپنی پر لازم ہوگا کہ وہ اپنے فزیکل شیز کو ایک انٹری فارم میں ایک مخصوص طریقہ کار کے مطابق منتقل کرے جس کی مدت کمپنیز ایکٹ کے اجراء یعنی 30 مئی، 2017 سے چار سال سے زیادہ نہ ہو۔

فزیکل شیز سرٹیفکیٹ رکھنے والے ممبران سے درخواست ہے کہ وہ اپنے شیز کو فزیکل فارم سے جلد از جلد ایک انٹری فارم میں تبدیل کرالیں۔ یہ اراکین کو کئی طریقوں سے سہولت فراہم کرے گا جن میں حصص کی محفوظ تحویل، حصص کا نقصان سے بچاؤ، ڈپلیکیٹ حصص کے اجراء کے لیے درکار رسمی کارروائیوں سے گریز اور حصص کی اوپن مارکیٹ میں بہتر نرخوں پر خرید و فروخت کے لیے دستیابی۔

8. آڈٹ شدہ مالیاتی گوشواروں کی ویب سائٹ پر دستیابی

کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشوارے، بمعہ آڈیٹور ڈائریکٹرز کی رپورٹس، چیئر مین کا جائزہ اور مینٹگ کا نوٹس اپنی ویب سائٹ www.escortsbank.net پر دستیاب ہے۔

9. انتخاب کا طریقہ کار برائے خصوصی امور

ممبران کو آرا میں مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل پلٹ) ریگولیشنز، 2018 ("ریگولیشنز") میں ترمیم شدہ نوٹیفکیشن مورچہ 05 دسمبر 2022، کے تحت سکیو رٹیز اینڈ ایگزیکٹو کمیشن آف پاکستان ("SECP") نے تمام لٹھ کمپنیوں کو ہدایات دی ہیں کہ وہ اپنے ممبران کو تمام خصوصی امور میں رائے دہی کا حق استعمال کرنے کے لیے الیکٹرانک اور پوسٹل ووٹنگ کی سہولت فراہم کریں۔

اس کے مطابق، Escorts Investment Bank Limited ("کمپنی") کے اراکین کو الیکٹرانک ووٹنگ کی سہولت کے ذریعے ووٹ کا حق استعمال کرنے یا خصوصی کاروبار کے لیے 28 اکتوبر 2024 کو صبح 10 بجے ہونے والے سالانہ اجلاس عام میں مذکورہ ریگولیشن کی شرائط و ضوابط کے مطابق ڈاک اور الیکٹرانک ووٹنگ کے ذریعے رائے دہی کی سہولت ہوگی۔

(ا) ای ووٹنگ کا طریقہ کار

i. ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان اراکین کے ساتھ ایک ای میل کے ذریعے شیز کی جائیں گی جن کے کمپیوٹرائزڈ شناختی کارڈ نمبر، موبائل نمبر، اور ای میل ایڈریس کمپنی کے اراکان کے رجسٹر میں مورچہ 21 اکتوبر 2024 کو کاروباری اوقات کے اختتام تک دستیاب ہوں گے

ii. ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ، ای میل کے ذریعے اراکین کو مطلع کیے جائیں گے۔ سکیو رٹی کوڈز میسرز حمید مجید ایسوسی ایشن (پرائیویٹ) لمیٹڈ (ای ووٹنگ سروس فراہم کنندہ ہونے کے ناطے) کے ویب پورٹل سے ایس ایم ایس کے ذریعے ممبران کو بتائے جائیں گے۔

iii. ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے فراہم کردہ کوڈ کے ذریعے کی جائے گی۔

iv. ای ووٹنگ لائنیں 24 اکتوبر 2024 سے شروع ہوں گی اور 27 اکتوبر 2024 کو شام 5:00 بجے بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی رکن کی طرف سے قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

ب) پوسٹل پلٹ کا طریقہ کار

اراکین اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ کی ایک نقل کے ساتھ صحیح طریقے سے بھرے ہوئے اور دستخط شدہ پلٹ بھیجے سالانہ اجلاس عام سے ایک دن پہلے یعنی 27 اکتوبر 2024 کو شام 5 بجے تک، کمپنی کے رجسٹرار ایڈریس، رجسٹرار آفس، گراؤنڈ فلور، 26 ڈیوس روڈ، لاہور یا chairman@escortsbank.net پر ای

میل کریں۔ یہ پوسٹل پلٹ بھیجے کمپنی کی ویب سائٹ www.escortsbank.net سے ڈاؤن لوڈ کرنے کے لیے بھی دستیاب ہے۔ براہ کرم نوٹ فرمائیں کہ ایک سے زیادہ ووٹ ڈالنے یا ووٹنگ میں کسی بھی تنازعہ کی صورت میں، چیئر مین کا فیصلہ حتمی ہوگا۔

اطلاع برائے سالانہ اجلاس عام

ای وڈنگ سروس فراہم کنندہ: میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت آئندہ اجلاس عام میں ہونے والے خصوصی امور سے متعلق مطلوبہ مادی حقائق کا بیان مندرجہ ذیل ہے:
ایجنڈا اسٹم نمبر 4۔ کمپنی کے سالانہ آڈٹ شدہ گوشواروں کی ممبران کو ترسیل بذریعہ کوئیٹک ری سپانس (QR) کیو آر کوڈ اور ویب لنک کی منظوری

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے نوٹیفکیشن نمبر S.R.O/2023 (1) 389 مورخہ 21 مارچ 2023ء کے تحت کمپنیوں کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو CD/DVD/USB کے بجائے QR (QR Quick Code) فعال کوڈ اور ویب لنک کے ذریعے اپنے اراکین/حصص یافتگان کو ترسیل کرنے کی اجازت دی ہے۔ ٹیکنالوجی میں فوائد کے زیادہ سے زیادہ استعمال اور ماحولیات اور پائیداری کے لیے کمپنی کی کارپوریٹ سماجی ذمہ داری کو پورا کرنے پر غور کرتے ہوئے، ممبران کے لیے سالانہ رپورٹ (بشمول سالانہ آڈٹ شدہ مالیاتی گوشوارے اور اس میں موجود دیگر رپورٹس) کی ترسیل کے لیے منظوری طلب کی جا رہی ہے۔

کمپنیز ایکٹ 2017 (ایکٹ) کی ضروریات کے مطابق میٹنگ کانفرنس ممبران کو ان کے رجسٹرڈ ایڈریس پر بھیجا جائے گا جس میں QR کوڈ اور ویب لنک ایڈریس ہوں گے، تاکہ سالانہ آڈٹ شدہ مالیاتی گوشواروں کو معد رپورٹس اور دستاویزات جو ایکٹ کے تحت اس کے ساتھ منسلک کرنا ضروری ہے کو ایک ساتھ دیکھا اور ڈاؤن لوڈ کیا جاسکے۔

کمپنی مکمل مالیاتی گوشواروں کو متعلقہ دستاویزات کے ساتھ ہارڈ کاپی میں شیئر ہولڈرز کو، ان کے رجسٹرڈ پتے پر، ایک ہفتے کے اندر مفت بھیجے گی، اگر ممبر نے کمپنی کی ویب سائٹ پر دستیاب فارم پر درخواست کی ہو۔

مندرجہ بالا خصوصی امور میں کمپنی کے کسی بھی ڈائریکٹر کی ذاتی دلچسپی نہیں ہے سوائے استعداد کار کے جو کہ ایک ممبر یا ڈائریکٹر کے طور پر ان کو تفویض کی گئی ہے۔

CHAIRMAN'S REVIEW REPORT

I am pleased to present the Annual Report of the Company for the year ended June 30, 2024 and present on behalf of the Board the Audited Accounts of the Company along with my review.

ECONOMY REVIEW

The global economy experienced a mix of recovery, volatility, and adaptation to ongoing challenges. Inflation remained a key concern, especially in developed economies like the U.S. and the Eurozone, where central banks continued tightening their monetary policies to rein in price pressures. The U.S. Federal Reserve and the European Central Bank raised interest rates further, which affected global borrowing costs and slowed down some investment activities. Additionally, the ongoing conflict in Ukraine continued to impact energy prices, especially in Europe, which struggled to fully replace Russian gas supplies.

Domestic economy faced significant challenges, primarily driven by high inflation, political instability, and a persistent fiscal crisis. Inflation soared due to rising fuel and food prices, exacerbated by global energy market disruptions. The country struggled with high debt obligations and had to rely on an International Monetary Fund (IMF) bailout to avoid default. Strict IMF conditions, including subsidy cuts and tax hikes, further strained the public. The political landscape remained uncertain, impacting investor confidence and delaying critical economic reforms.

Policy Rate has been on its historic high at 22%, which saw a decline in last three consecutive meetings on June 10, 2024, July 29, 2024 and September 12, 2024 by 150 bps, 100 bps and 200 bps respectively and currently being at 17.5%.

BUSINESS AND OPERATION REVIEW

In the pursuit of the management's vision to turn around and make your Company a profitable institution, the policy of divesting from the low yield products and to invest into the high yield products continues.

Management has also been focused on cost curtailment and certain austerity measures have been taken. Amidst high inflation rates management has been able to keep the administrative expenses almost stagnant.

Investment Finance Services (IFS) license of the Company is issued by the SECP for three years and it has to be renewed. Currently, the renewal of IFS license of your company is in process and will be renewed soon.

FUTURE PROSPECTS AND UNCERTAINTIES

It is evident from the figures that the performance of the company is getting better gradually. Though it still booked loss this year but this is almost the half of the loss that was booked last year, so we strongly hope that your Company will be a profitable institution in the coming years, since we have robust plans to incur revenue by investing into diverse product menu in secured and unsecured by increasing footprint of our branch network.

ACKNOWLEDGEMENT

The Board maintained critical oversight over this project, and expeditiously granted necessary approvals, wherever required. The Audit Committee of the Board ensured excellent financial discipline and transparency in financial reporting.

During the period under review, three Board members resigned and casual vacancies were created and to fill these management has applied for fit and proper criteria of proposed directors with the Securities and Exchange Commission of Pakistan (SECP). Once these formalities are completed these casual vacancies will be filled.

Regards and Thanks!



Syed Tahir Nawazish
Chairman

چیمبرمین کی جائزہ رپورٹ

میں 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے مسرت کا اظہار کرتا ہوں اور بورڈ کے ایما پر کمپنی کے آڈٹ شدہ اکاؤنٹس معروضات اپنی جائزہ رپورٹ کے پیش کرتا ہوں۔

معیشت کا جائزہ

عالمی معیشت میں بحالی، اتار چڑھاؤ اور موجودہ مشکلات کے دوران ملائیمار چھان رہا۔ افراط زر باعث تشویش رہا، خاص طور پر امریکہ اور یورپ میں ترقی یافتہ معیشتوں میں، جہاں مرکزی بینکوں نے قیمتوں کے دباؤ کو کم کرنے کے لیے اپنی مالیاتی پالیسیوں کو بتدریج سخت کیا۔ یو ایس فیڈرل ریزرو اور یورپی سنٹرل بینک نے شرح سود میں مزید اضافہ کیا جس سے عالمی قرضے لینے کی لاگت متاثر ہوئی اور کچھ سرمایہ کاری کی سرگرمیاں سست پڑ گئیں۔ مزید برآں، یو کرین میں جاری تنازعہ نے توانائی کی قیمتوں کو متاثر کرنا جاری رکھا، خاص طور پر یورپ جو روسی گیس کی سپلائی پر انحصار کو مکمل طور پر تبدیل کرنے کے لیے کوشاں ہے۔

محلی معیشت بنیادی طور پر بلند افراط زر، سیاسی عدم استحکام، اور ایک مسلسل مالیاتی بحران کی وجہ سے مشکلات کا شکار رہی۔ ایندھن اور اشیائے خورد و نوش کی بڑھتی ہوئی قیمتیں بلند افراط زر کا باعث رہیں، عالمی توانائی کی منڈی میں رکاوٹوں کی وجہ سے افراط زر میں مزید اضافہ ہوا۔ ملک کو قرضوں کی بلند ادائیگیوں کے پیش نظر ڈیٹا سے بچنے کے لیے بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے نئے آؤٹ لیٹنگ پر انحصار کرنا پڑا۔ سبڈی میں کٹوتیوں اور ٹیکسوں میں اضافے سمیت آئی ایم ایف کی سخت شرائط نے عوام کی مشکلات میں مزید اضافہ کر دیا۔ سیاسی منظر نامہ غیر یقینی رہا، جس سے سرمایہ کاروں کا اعتماد متاثر ہوا اور اہم اقتصادی اصلاحات میں تاخیر ہوئی۔

پالیسی ریٹ تاریخ کی بلند ترین سطح پر رہا جس میں 10 جون 2024 کی مانیٹری پالیسی کمیٹی کی میٹنگ کے بعد کمی ہوئی شروع ہوئی اور اس طرح 10 جون 2024، 29 جولائی 2024، اور 12 ستمبر 2024 کی میٹنگوں میں ہائپرٹیپ 150، 100 اور 200 بی بی ایس کی کمی کے بعد اب پالیسی ریٹ 17.5 فیصد پر ہے۔

کاروبار اور آپریشن کا جائزہ

آپ کی کمپنی کو ایک منافع بخش ادارہ بنانے کے انتظامیہ کے ذہن کے مطابق کم منافع بخش مصنوعات سے علیحدگی اور زیادہ منافع بخش مصنوعات میں سرمایہ کاری کرنے کی پالیسی جاری رہی۔

اخراجات کو کم کرنے پر بھی توجہ مرکوز رکھی گئی اور کفایت شعاری کے کچھ اقدامات کیے گئے جن کے باعث منگائی کی بلند شرح کے باوجود انتظامیہ اخراجات کو بڑھنے سے روکنے میں کامیاب رہی۔

کمپنی کا انورسٹمنٹ سروسز (آئی ایف ایس) سٹاکس ایس ای سی بی تین سال کے لیے جاری کرتا ہے اور اس کی تجدید کرنی ہوتی ہے۔ فی الحال، آپ کی کمپنی کا اسٹاکس کی تجدید کے عمل میں ہے اور جلد ہی اس کی تجدید ہو جائے گی۔

مستقبل کے امکانات اور غیر یقینی صورتحال

اعداد و شمار سے ظاہر ہے کہ کمپنی کی کارکردگی بتدریج بہتر ہو رہی ہے۔ اگرچہ اس نے ابھی تک اس سال نقصان کیا ہے لیکن یہ پچھلے سال کے نقصان کا تقریباً نصف ہے، اس لیے ہمیں قوی امید ہے کہ آنے والے سالوں میں آپ کی کمپنی ایک منافع بخش ادارہ ہوگی، کیونکہ ہمارے پاس سرمایہ کاری کے ذریعے آمدنی حاصل کرنے کے شوش منصوبے ہیں، جن میں محفوظ و غیر محفوظ قرضہ جات جیسی مصنوعات کا متنوع مینیجمنٹ اور برانچ نیٹ ورک میں توسیع شامل ہے۔

اضرائف

بورڈ نے آپ کی کمپنی پر تنقیدی نگرانی کو برقرار رکھا اور جہاں بھی ضرورت پڑی، فوری طور پر ضروری منظوریوں دی ہیں۔ بورڈ کی آؤٹ کمیٹی نے مالیاتی رپورٹنگ میں بہترین مالیاتی نظم و ضبط اور شفافیت کو یقینی بنایا۔

زیر جائزہ مدت کے دوران، بورڈ کے تین اراکین نے استعفیٰ دیا اور غیر معمولی آسامیاں پیدا ہوئیں اور ان کو پُر کرنے کے لیے انتظامیہ نے مجوزہ ڈائریکٹرز کے موزوں اور مناسب معیار کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای پی) کے پاس درخواست گزار دی ہے۔ ایک بار جب یہ رسمی کارروائیاں مکمل ہوں گی تو یہ آسامیاں پُر ہو جائیں گی۔

شکریہ!



سید طاہر نواز شین
چیمبرمین

DIRECTORS' REPORT

The Board of Directors of Escorts Investment Bank Limited (“Company”) is pleased to present the Annual Report together with the Audited Financial Statements of the Company for the year ended June 30, 2024 and independent auditor’s report thereon.

FINANCIAL RESULTS

The financial results are as under:

Description	Year ended	
	2024	2023
Revenue	136,492,676	110,650,582
Loss before provision & taxation	(21,732,249)	(43,958,330)
Provisions	(3,973,753)	(3,007,306)
Taxation	2,608,094	(1,663,461)
Loss after taxation	(23,097,908)	(48,629,097)
Earning per share	(0.17)	(0.36)

Company has been able to considerably increase its revenues for the FY 2024 to Rs. 136.493 million as compared to Rs. 110.650 million for FY 2023, showing an increase of 23.35%. Administrative cost has been curtailed to Rs. 151.673 million as compared to Rs. 149.747 million for FY 2023. Despite of high inflation management has been able to keep it almost at the same level. Loss has been reduced to Rs. 23.098 million during FY 2024 as compared to Rs. 48.629 million during FY 2023, which is an improvement of 52.50%. Compliance with the minimum equity requirement under Reg 4 of NBFC Regulations has been specifically elaborated under Note 1 to the financial statements. However, the Company's other important indicators like Capital Adequacy Ratio, liquidity position and leverage ratios strongly reflect the Company's ability to fulfill its obligations. Hence, the accounts are prepared on going concern basis.

CHAIRMAN’S REVIEW

The Chairman’s Review included in the Annual Report deals inter alia with the economy review, nature of business, operations of the Company and future prospects and uncertainties. The Board of Directors has approved the Chairman’s Review.

DIVIDEND

No dividend has been recommended by the board of directors for the year June 30, 2024 (2023: Nil).

CREDIT RATING

PACRA has revised the Company’s long term credit rating to “BBB+ “ and maintained short-term credit rating to “A2” with negative outlook on September 19, 2023.

INTENTION TO ACQUIRE MAJORITY SHAREHOLDING OF THE COMPANY AND WITHDRAWAL

M/S RMS (Private) Limited had shown its intention to acquire up to 87.96% ordinary shares of the Company in August 2023, which was turned down during the period under review, by the sponsors.

BOARD OF DIRECTORS

The board of directors held four (04) meetings during the year. Attendance by each Director was as follows;

Director Name	Meetings Attended
Mr. Basit Rahman Malik	4
Syed Tahir Nawazish	4
Ms. Madiha Arooj	4
Mr. Muhammad Rasheed Alam	4

DIRECTORS' REPORT

Casual vacancies were occurred on Board due to the resignations of Mr. Muhammad Mubashir Hussain and Khawaja Nadeem Abbas on July 15, 2023 and Mr. Rashid Aziz on August 28, 2023. To fill these casual vacancies, proposed directors' applications and related documents for the fit and proper criteria have been duly filed with SECP for seeking final approval.

The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Director Name	Meetings Attended
Mr. Basit Rahman Malik	4
Syed Tahir Nawazish	4
Ms. Madiha Arooj	4

The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

Director Name	Meetings Attended
Mr. Rashid Aziz	1
Ms. Basit Rahman Malik	1
Syed Tahir Nawazish	1

The Board acknowledges the valuable contributions made by the outgoing Directors.

COMPOSITION OF BOARD

During the year ended June 30, 2024, two Independent Directors and one Nominee Director resigned from the Board and the Board has co-opted Mr. Shahid Hosain Kazi and Ms. Hifsa Saad Khan (Independent Directors) and Ms. Sadia Khan (Non-executive director) subject to the clearance of their Fit and Proper Criteria which has been applied with the SECP.

Independent Directors	NIL
Other Non-Executive Directors	2
Executive Directors	2
Total number of directors	4

During the reporting period, both independent directors and a nominee director have resigned from the board therefore, Audit Committee, Human Resource and Remuneration Committee and Risk Management Committee need to be reconstituted, upon approval of new directors by SECP.

Directors' Remuneration

The Board of Directors has approved Directors Remuneration. However, in terms of the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company shall not pay remuneration to its non-executive directors including independent directors. However, independent and non-executive directors are paid meeting fees for attending Board and committee meetings. For information on the remuneration of the Directors and CEO, please refer to note 40 to the Financial Statements.

DIRECTORS DECLARATION

In compliance with the provisions of the listing regulations of the Pakistan Stock Exchange, the Board members are pleased to confirm that:

- these financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- proper books of accounts of the Company have been maintained;
- appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

DIRECTORS' REPORT

- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- e) the system of internal controls is sound in design and has been effectively implemented and efficiently monitored;
- f) there are no significant doubts upon the Company's ability to continue as going concern;
- g) there is no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) information about outstanding taxes and other government levies are given in related note(s) to the accounts.
- i) the statement of Code of Ethics and Business Practices has been developed and acknowledged by the directors and employees of the Company.
- j) The Key operating and financial data for the last six years is annexed to the annual report

Statement of Compliance

The Company strictly adheres to the principles of Corporate Governance mandated by the Securities and Exchange Commission of Pakistan and has implemented all the prescribed stipulations. The same have been summarized in statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 duly reviewed by the auditors.

RISK MANAGEMENT

The Board of Directors is responsible for establishing the risk management framework, which includes company risk management policies, review, approvals and continued monitoring to ensure that an appropriate sound and effective internal control and compliance system is in place all the time. An independent outsourced internal audit team is assisting the Audit committee which is reportable to the Board of Directors.

Renewal of the IFS License

The Company's IFS license is in renewal process, and it has been applied for renewal with the SECP.

Compliance Risk

Your Board and the management have instituted a strong governance and legal framework to ensure compliance to not only applicable laws and regulations but also to stay at par with best international practices. Therefore, the management is expecting that it will not materially impact on the business model of the company.

AUDITORS

M/s Ilyas Saeed & Company Chartered Accountants retire and being eligible, offer themselves for re-appointment for the year ending June 30, 2025. The Audit Committee has recommended their re-appointment to the Board.

PATTERN OF SHAREHOLDING

A statement showing pattern of shareholdings of the Company and additional information as at June 30, 2024 is included in the report.

DIRECTORS' REPORT

ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITY

Being an investment bank with focus on micro finance products that are dedicated to making a positive impact on the communities we serve through a comprehensive corporate social responsibility (CSR) program. Our commitment goes beyond traditional banking; we strive to enhance the quality of life for our customers and stakeholders. We support initiatives that promote financial literacy, economic empowerment, and community development, ensuring that we contribute to the social well-being of the regions we operate in. Additionally, we prioritize ethical business practices, diversity and inclusion within our workforce, and community engagement. By aligning our banking services with social values, EIBL is focused on building a more sustainable and equitable future for all.

A comprehensive plan is being devised regarding the ESG including the formulation of sustainability committee comprising of board members with female members as well. These initiatives shall be implemented soon.

GENDER DIVERSITY AND PAY GAP STATEMENT

In compliance of the Circular 10 of 2024, subjected "Disclosure of Gender Pay Gap Data in Annual Report" issued by Securities and Exchange Commission of Pakistan (SECP) on April 17, 2024, we are disclosing the gender pay gap for the year under review as follows:

Mean Gender Pay Gap:	37.55%
Median Gender Pay Gap:	- 39.46%
Any other data / details as deemed relevant:	

ACKNOWLEDGEMENT

The Directors wish to place on record the gratitude to its customer for their valued support. The Board would also like to thank and acknowledge the efforts of the sponsors for their continued support which will continue to enhance our capabilities to achieve our objectives.

For and on behalf of the Board,



Mr. Basit Rahman Malik
Chief Executive / Director



Syed Tahir Nawazish
Chairman

ڈائریکٹرز کی رپورٹ

ایسکارٹس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ اور کمپنی کے پڑتال شدہ مالیاتی گوشوارے مع آزاد آڈیٹرز کی رپورٹ پیش کرنے پر مسرت کا اظہار کرتے ہیں۔

مالیاتی نتائج

مالیاتی نتائج درج ذیل ہیں:

مالی سال		تفصیلات
2024	2023	
136,492,676	110,650,582	آمدنی
(21,732,249)	(43,958,330)	خسارہ قبل از ٹیکس
(3,973,753)	(3,007,306)	پر ویشن ٹیکس
2,608,094	(1,663,461)	ٹیکس
(23,097,908)	(48,629,097)	خسارہ بعد از ٹیکس
(0.17)	(0.36)	فی حصص آمدنی

کمپنی مالی سال 2024 کے ل دوران آمدنی 136.493 ملین روپے رہی جو کہ پچھلے مالی سال 2023 کے دوران 110.650 ملین روپے تھی، یہ 23.35 فیصد کا اضافہ ظاہر کرتا ہے۔ انتظامی لاگت 151.673 ملین روپے رہی جو مالی سال 2023 کے دوران 149.747 ملین روپے تھی، بہت زیادہ افراط زر کے باوجود انتظامیہ اسے تقریباً اسی سطح پر رکھنے میں کامیاب رہی۔ خسارہ جو کہ مالی سال 2023 کے دوران 48.629 ملین روپے تھا جو کم ہو کر 23.098 ملین روپے ہو گیا ہے اور یہ 52.50 فیصد کی بہتری ظاہر کرتا ہے۔

NBFC ریگولیشنز کے Reg 4 کے تحت کم از کم ایکویٹی کے تقاضوں کی تعمیل کو نوٹ 1 کے تحت مالی بیانات میں خاص طور پر بیان کیا گیا ہے۔ تاہم، کمپنی کے دیگر اہم اشارے جیسے کہ سیٹل ایڈیکس ریٹو، لیکویڈیٹی پوزیشن اور لیوریج ریٹوز کمپنی کی اپنی ذمہ داریوں کو پورا کرنے کی اہلیت کی بھرپور عکاسی کرتے ہیں۔ لہذا، اکاؤنٹس کو کاروبار جاری رکھنے کی صلاحیت کی بنیاد پر تیار کیا گیا ہے۔

چیئرمین کا جائزہ

سالانہ رپورٹ میں شامل چیئرمین کا جائزہ معیشت کے جائزے، کاروبار کی نوعیت، کمپنی کے آپریشنز اور مستقبل کے امکانات اور غیر یقینی صورتحال سے متعلق ہے۔ بورڈ آف ڈائریکٹرز نے چیئرمین کے جائزے کی منظوری دے دی ہے۔

منافع منقسمہ

30 جون 2024 کے لیے بورڈ آف ڈائریکٹرز کی جانب سے کسی منافع کی سفارش نہیں کی گئی ہے۔ (2023: صفر)

کریڈٹ ریٹنگ

پیکر نے 19 ستمبر 2023 کو کمپنی کی طویل مدتی کریڈٹ ریٹنگ کو نظر ثانی کر کے بی بی بی + اور قلیل مدتی کریڈٹ ریٹنگ کو اے 2 اور منفی آؤٹ لک پر برقرار رکھا ہے۔

کمپنی کی اکثریتی شیئر ہولڈنگ حاصل کرنے کا ارادہ اور واپسی

M/S RMS (پرائیویٹ) لمیٹڈ نے اگست 2023 میں کمپنی کے 87.96% تک عام حصص حاصل کرنے کا اپنا ارادہ ظاہر کیا تھا، جسے اسپانسر نے زیر جائزہ مدت کے دوران مسترد کر دیا تھا۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز نے سال کے دوران چار (04) اجلاس منعقد کئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی۔

نام ڈائریکٹر	اجلاس میں حاضری
جناب باسٹر رحمن ملک	4
سید طاہر نواز ش	4
محترمہ مدیحہ عروج	4
جناب محمد رشید عالم	4

15 جولائی 2023 کو جناب محمد مبشر حسین اور خواجہ ندیم عباس اور 28 اگست 2023 کو راشد عزیز کے استعفوں کی وجہ سے بورڈ میں غیر معمولی آسامیاں پیدا ہوئیں۔ ایس ای سی پی کی منظوری حاصل کرنے کے لیے فٹ اینڈ پر اپری کی درخواست جمع کرا دی گئی ہے۔ آڈٹ کمیٹی نے سال کے دوران چار (4) اجلاس منعقد کئے۔ ہر ممبر کی حاضری حسب ذیل تھی۔

نام ڈائریکٹر	اجلاس میں حاضری
جناب باسٹر رحمن ملک	4
سید طاہر نواز ش	4
محترمہ مدیحہ عروج	4

HR کمیٹی نے سال کے دوران ایک (1) میٹنگ کی۔ ہر ممبر کی حاضری حسب ذیل تھی۔

نام ڈائریکٹر	اجلاس میں حاضری
جناب راشد عزیز	1
جناب باسٹر رحمن ملک	1
سید طاہر نواز ش	1

بورڈ سیکشن ہونے والے ڈائریکٹرز کی گرانڈ شرائط کا اعتراف کرتا ہے۔

بورڈ کی ترکیب

سال 2024 کے دوران دو آزاد ڈائریکٹروں اور ایک نامزد ڈائریکٹر نے بورڈ سے استعفیٰ دے دیا تھا اور بورڈ نے جناب شاہد حسین قاضی اور محترمہ حفصہ سعد خان کو آزاد اور محترمہ سعدیہ خان کو نامزد ڈائریکٹر نامزد کیا ہے جو ان کے فٹ اور مناسب معیار کی منظوری سے مشروط ہے جس کی درخواست ایس ای سی پی کو دے دی گئی ہے۔ بورڈ کی ترکیب درج ذیل ہے:

آزاد ڈائریکٹرز	صفر
دیگر نام ایگزیکٹو ڈائریکٹرز	2
ایگزیکٹو ڈائریکٹرز	2
ڈائریکٹرز کی کل تعداد	4

رپورٹنگ کی مدت کے دوران، دونوں آزاد ڈائریکٹرز اور ایک نامزد ڈائریکٹر نے بورڈ سے استعفیٰ دے دیا ہے، اس لیے ایس ای سی پی کی جانب سے نئے ڈائریکٹرز کی منظوری کے بعد آڈٹ کمیٹی، جیو من ریسورس اینڈ ریویژن کمیشن اور رسک منجمنٹ کمیٹی کی تشکیل نو کر دی جائے گی۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی منظوری دے دی ہے۔ تاہم، کوڈ آف کارپوریشن گورننس کے لحاظ سے، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔ تاہم، آزاد ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز کو بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کے لیے مینٹگ فیس ادا کی جاتی ہے۔ ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم مالیاتی گوشواروں کے نوٹ 40 سے رجوع کریں۔

ڈائریکٹرز کا اعلامیہ

پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے قواعد کی تعمیل میں بورڈ اراکین ازراہ مسرت توثیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کاروباری امور، آپریشنز سے حاصل نتائج، کیش فلو اور ایکویٹی میں تبدیلی کو واضح انداز میں پیش کرتے ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات مناسب فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کا اطلاق کیا گیا ہے۔
- داخلی ضبط کا ایک مربوط نظام قائم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی نمایاں ابہام موجود نہ ہے۔
- لسٹنگ ریگولیشنز میں بیان کردہ کارپوریشن گورننس کی بہترین عمل داری میں کوئی رکاوٹ نہ ہے۔
- واجب الادا ٹیکسز اور دیگر حکومتی لیویز سے متعلق معلومات کھاتوں کے متعلقہ نوٹس میں بیان کی گئی ہیں۔
- ظاہرہ اخلاق اور کاروباری عمل داری کا بیان تیار کیا گیا ہے اور کمپنی کے ملازمین اور ڈائریکٹرز اس کو تسلیم کرتے ہیں۔
- گزشتہ چھ سالوں کا کلیدی آپریشننگ اور مالیاتی ڈیٹا سالانہ رپورٹ کے ساتھ منسلک ہے

تعمیل کا بیان

کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے لازمی کارپوریشن گورننس کے اصولوں پر سختی سے عمل کرتی ہے اور اس نے تمام مقررہ شرائط پر عمل درآمد کیا ہے۔ ان کا خلاصہ لسٹنگ کمپنیز (کوڈ آف کارپوریشن گورننس) ریگولیشنز، 2019 کی تعمیل کے بیان میں کیا گیا ہے جس کا آڈیٹرز کے ذریعہ جائزہ لیا گیا ہے۔

رسک مینجمنٹ

بورڈ آف ڈائریکٹرز رسک مینجمنٹ فریم ورک کے قیام کا ذمہ دار ہے، جس میں کمپنی کے رسک مینجمنٹ کی پالیسیاں، جائزہ، منظوری اور مسلسل نگرانی شامل ہے تاکہ یہ یقینی بنایا جاسکے کہ ایک مناسب اور موثر اندرونی کنٹرول اور تعمیل کا نظام ہمہ وقت موجود ہے۔ کمپنی کا اپنا مناسب اور قابل وسائل کے ساتھ ان ہائس انٹر عمل آڈٹ ڈیپارٹمنٹ ہے۔ یہ براہ راست آڈٹ کمپنی کو رپورٹ کرتا ہے۔

آئی ایف ایس لائسنس کی تجدید

آئی ایف ایس لائسنس تجدید کے مراحل میں ہے جس کی تجدید کے لیے ایس ای سی پی کو درخواست دے دی گئی ہے۔

تعمیلی خدمات

آپ کے بورڈ اور انتظامیہ نے نہ صرف قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے بلکہ بہترین بین الاقوامی طریقوں کے مطابق ایک مضبوط گورننس اور قانونی ڈھانچہ قائم کیا ہے۔ لہذا، انتظامیہ توقع کر رہی ہے کہ اس سے کمپنی کے کاروباری ماڈل پر مادی طور پر کوئی اثر نہیں پڑے گا۔

آڈیٹرز

میسرز ایس سعید اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اپنی اہلیت کی بنیاد پر مالی سال 2025 کے لیے اپنی خدمات پیش کی ہیں اور آڈٹ کمپنی نے بورڈ کو ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کی وضع

30 جون 2024 کو کمپنی کی شیئر ہولڈنگ کی وضع اور دیگر معلومات اس رپورٹ میں شامل ہیں۔

ماحولیاتی اور کارپوریٹ سماجی ذمہ داری

ایک انوسٹمنٹ بینک ہونے کے ناطے مائیکرو فنانس پروڈکٹس پر توجہ مرکوز کی گئی ہے جو کہ ایک جامع کارپوریٹ سماجی ذمہ داری پروگرام کے ذریعے سماجی خدمت کر رہے ہیں۔ ہمارا عزم روایتی بینکنگ سے بڑھ کے ہے۔ ہم اپنے صارفین اور اسٹیک ہولڈرز کے معیار زندگی کو بہتر کرنے کی کوشش کر رہے ہیں۔ ہم ایسے اقدامات کی حمایت کرتے ہیں جو مالی خواندگی، معاشی بااختیاری اور معاشرتی ترقی کو فروغ دیتے ہیں۔ ہماری مالی خدمات سماجی اقدار کے ساتھ ہم آہنگ ہیں اور ہماری توجہ سب کے لیے ایک زیادہ پائیدار اور مساوی مستقبل کی تعمیر پر مرکوز ہے۔

صنعتی تنوع اور تنخواہ کا فرق

17 اپریل 2024 کو سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ "سالانہ رپورٹ میں صنعتی تنوع کے فرق کے ڈیٹا کا انکشاف" کے عنوان سے 2024 کے سرکلر 10 کی تعمیل میں، ہم زیر جائزہ سال کے لیے صنعتی تنوع کے فرق کو ظاہر کر رہے ہیں جو کہ مندرجہ ذیل ہے:

اوسط صنعتی تنوع کا فرق: - 39.46%

کوئی دوسرا ڈیٹا / تفصیلات جیسا کہ متعلقہ سمجھا جاتا ہے:

اوسط صنعتی تنوع کا فرق - میڈین	37.55 فیصد
اوسط صنعتی تنوع کا فرق - موڈ	منفی 39.46 فیصد
متعلقہ دوسری تفصیلات	

اعتراف

ڈائریکٹرز اپنے صارفین کے قابل قدر تعاون کا شکریہ ادا کرتے ہیں۔ اپنے مقاصد کے حصول کے لیے بورڈ سپانسرز کی مسلسل حمایت کا مشکور ہے جو ہماری صلاحیتوں میں مسلسل اضافہ کرتی رہے گی۔

منجانب / برائے بورڈ



سید طاہر نواز
چیئرمین



جناب اسلم رحمن ملک
ڈائریکٹر

FINANCIAL HIGHLIGHTS

Last Six Years of Escorts Bank At a Glance

(Rupees in '000')

	2024	2023	2022	2021	2020	2019
FINANCIAL DATA						
Share Capital	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	441,000
Reserves	(785,012)	(761,373)	(731,511)	(536,259)	(454,332)	(410,241)
Shareholders' Equity	570,987	594,627	624,489	819,740	901,668	30,758
Subordinated Loan	-	-	-	-	137,694	787,694
Deposits	-	-	-	41,250	51,250	189,711
Borrowings	-	-	-	-	-	68,894
Current Liabilities	119,770	117,509	136,171	151,360	343,828	651,854
Total Liabilities	155,069	171,826	196,635	217,087	456,681	1,385,322
Tangible Fixed Assets	144,410	152,906	180,251	211,745	203,228	127,138
Intangible Fixed Assets	5,406	4,503	16,909	17,808	16,799	128,823
Financing - Net of Provision	192,135	168,914	187,338	270,455	241,133	112,782
Net Investment in Finance Lease	2,166	2,166	2,166	2,166	2,166	2,166
Investments & Placements	33,206	144,988	81,860	149,810	227,213	230,504
Current Assets	384,363	378,852	379,965	464,560	709,710	933,529
Total Assets	726,056	766,453	839,891	1,056,582	1,376,345	1,435,024
OPERATING RESULTS						
Total Revenue	136,493	110,651	97,167	112,325	147,438	112,796
Markup Expense	-	-	-	-	16,766	39,946
Operating & Other Expenses	158,225	154,609	224,063	174,593	158,886	122,357
Provision against Non-Performing Loans	3,974	3,007	7,970	15,162	143	-
Profit/(loss) before Tax	(25,706)	(46,966)	(134,866)	(77,431)	(28,215)	(49,508)
Profit/(loss) after Tax	(23,098)	(48,629)	(196,422)	(81,482)	(29,910)	(50,296)
FINANCIAL RATIOS						
Loss per Share (Rs.)	(0.17)	(0.36)	(1.45)	(0.60)	(0.22)	(1.14)
Net Asset Value per Share (Rs.)	4.21	4.39	4.61	6.05	6.65	0.70
Market Value per Share (Rs.)	3.81	3.12	6.69	10.09	7.80	12.15
High	4.29	6.70	13.04	14.20	14.09	33.49
Low	3.51	2.90	5.99	7.55	6.17	11.94
Loss Before Tax Ratio (%)	(18.83)	(36.82)	(138.80)	(68.93)	(19.14)	(43.89)
Revenue to Expenses (Times)	0.84	0.81	0.42	0.64	0.84	0.69
Total Assets Turnover Ratio (Times)	0.19	0.17	0.12	0.11	0.11	0.08
Advances to Deposits (Times)	-	-	-	6.56	4.71	0.59
Borrowings to Equity (Times)	-	-	-	-	-	2.24
Total Liabilities to Equity (Times)	0.27	0.29	0.31	0.26	0.51	45.04
Current Ratio	3.21	3.22	2.79	3.07	2.06	1.43

STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance)
Regulations, 2019

Name of Company:	ESCORTS INVESTMENT BANK LIMITED
Year Ended:	June 30, 2024

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

- The total number of directors are four (04)* as per the following:

a.	Male:	3*
b.	Female:	1

*Three (03) casual vacancies were occurred during the year and applications for the clearance of fit and proper criteria of proposed directors have been submitted to the SECP.

- The composition of Board is as follows:

i)	Independent Directors	Mr. Muhammad Mubashir Hussain* - Resigned during the year
		Mr. Rashid Aziz* - Resigned during the year
ii)	Non-executive Directors	Khawaja Nadeem Abbas* - Resigned during the year
		Syed Tahir Nawazish
		Ms. Madiha Arooj
iii)	Executive Director	Mr. Basit Rahman Malik
		Mr. Muhammad Rasheed Alam
iv)	Female Director	Ms. Madiha Arooj

* To fill these casual vacancies, proposed directors' applications and related documents for fit and proper criteria have been duly filed with SECP for seeking final approval.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- The Board has not arranged Directors' Training Program during the year;

The Following Director meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies and, hence is exempt from the Directors' training program:

- Syed Tahir Nawazish

- The Board has approved appointment of Chief Financial Officer and Company Secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a. Audit Committee

Mr. Basit Rahman Malik	Chairman
Syed Tahir Nawazish	Member
Ms. Madiha Arooj	Member

During the year, both independent directors have resigned from the Board. Hence, the audit committee will be reconstituted upon the approval of new directors by SECP.

b. Human Resource and Remuneration Committee (“HRRC”)

Mr. Rashid Aziz*	Chairman
Mr. Basit Rahman Malik	Member
Syed Tahir Nawazish	Member

* During the year, Mr. Rashid Aziz has resigned from the Board. Hence, HRRC will be reconstituted upon the approval of new directors by SECP.

c. Risk Management Committee

Mr. Rashid Aziz*	Chairman
Mr. Basit Rahman Malik	Member
Syed Tahir Nawazish	Member

* During the year, Mr. Rashid Aziz has resigned from the Board. Hence, Risk Management Committee will be reconstituted upon the approval of new directors by SECP.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance except risk management committee;

14. The frequency of meetings of the committees was as follows:

- Audit Committee Quarter 1: Zero Quarter 2: Two Quarter 3: One Quarter 4: One
- Human Resource and Remuneration Committee (One meeting in the financial year)
- Risk Management Committee (No meeting in the financial year)

15. The Board has outsourced the internal audit function to Muniff Ziauddin & Co. who is considered suitably qualified and experienced for the purpose and were well conversant with the policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard;

STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Non-Mandatory Requirement	Reg. Ref.	Explanation
Representation of Minority shareholders: The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
Responsibilities of the Board and its members: - Adoption of the corporate governance practice. - To address Sustainability Risks and Opportunities	10 (1) 10 A	Non-mandatory provision of the CCG Regulations are partially complied. The requirements introduced recently by SECP through notification dated June 12, 2024 on Environmental, Social and Governance (ESG) are being worked out and shall be complied with in due course of time.
Directors' Training It is encouraged that by June 30, 2024 all the directors on Boards shall have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19 (1)	The Company is waiting for the SECP approval of the proposed directors so that the director's training can be arranged accordingly.
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee
Disclosure of significant policies on website: The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	35	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in the near future.



Syed Tahir Nawazish
Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ESCORTS INVESTMENT BANK LIMITED**

**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED
COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Escorts Investment Bank Limited ("the Company") for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any noncompliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1.	Regulation 6 CCG, 2019	Independent Directors have resigned during the year and the position is vacant as at June 30, 2024

Ilyas Saeed & Co

Ilyas Saeed & Co.
Chartered Accountants
Lahore

Date: 7th October 2024

UDIN: CR202410278oY2R9rm6Q

Other Offices: Islamabad - Karachi - Gujranwala

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Financial Statements

For the year ended June 30, 2024



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ESCORTS INVESTMENT BANK LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ESCORTS INVESTMENT BANK LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss, its comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 01 to the financial statements, which describes that the Company has incurred a net loss of Rs. 23.097 million during the year and equity now stands at Rs. 570.98 million. As per the applicable laws and regulations, the Company is required to maintain Minimum Equity Requirement of Rs. 750 million for maintaining deposit taking Investment Finance Services (IFS) license. Resultantly the Company is in non-compliance of minimum equity requirements as specifically mentioned in Regulation 4 of NBFC Regulations 2008. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Recognition of deferred tax asset relating to un-used business losses and unabsorbed depreciation losses to the extent of available/expected profits in foreseeable future.</p>	
	<p>(Refer to Note 11 to the financial statements)</p> <p>Significant judgment is required in determining provisions for deferred tax as well as assessment of provision for un-certain tax positions. The Company has an aggregate amount of deferred tax assets of Rs.122.597 million (2023: Rs.118.948 million), Based on management's best estimate of the probable benefits expected to be realized in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years against taxable temporary differences relating to prior years. The Company has prepared financial projections for future taxable profits to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as raise of deposits growth in customer base investment returns potential provision against assets interest rates and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax assets. The management believes that it is probable that the Company will be able to achieve the profits and consequently the deferred tax asset will be fully realized in future. Deferred tax asset not recognized during the year relate to partial business loss for the tax year 2019, 2020 & certain portion of 2021. Due to its significance to the financial statements combined with the judgment and estimation required to determine its value the evaluation of deferred tax asset is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - We evaluated the design and implementation of controls in respect of the recognition of recoverability of deferred tax assets. - We discussed with management the adequate implementation of Company's policies and controls regarding deferred tax, as well as the reporting of uncertain tax position - We examined the procedures in place for deferred tax calculations for completeness and valuation; and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist. - We considered the management's assessment of the validity and the adequacy of provision for uncertain tax positions, evaluating the basis of assessment and reviewing the relevant correspondence and legal advice where available. - In respect of deferred tax assets and liabilities, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets for the utilization of tax losses carried forward as disclosed in note No. 11 to the financial statements. - We validated the appropriateness and completeness of the related disclosures in the note No. 11 to the financial statements. Based on the procedures performed above, we obtained sufficient audit evidence to corroborate management's estimates regarding deferred tax balances and provisions for uncertain tax positions.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon .



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of **Escorts Investment Bank Limited** for the year ended June 30, 2023 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on October 04, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Bushra Sana.

Ilyas Saeed & Co

Ilyas Saeed & Co.
Chartered Accountants
Lahore

Date: 7th October 2024
UDIN: AR202410278mHYliF1AS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees Restated
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	144,410,534	152,905,670
Intangible assets	6	5,406,270	4,502,622
Long term investments	7	24,546,125	25,087,500
Long term finances	8	36,256,539	77,935,344
Net investment in lease finances	9	-	-
Long term deposits	10	8,476,274	8,222,274
Deferred tax asset - net	11	122,597,618	118,948,020
		341,693,360	387,601,430
CURRENT ASSETS			
Current portion of non-current assets	12	39,012,851	34,724,427
Short term investments	13	8,660,157	119,900,864
Short term finances	14	116,866,350	90,978,260
Short term advances	15	2,547,539	5,091,968
Prepayments	16	2,673,314	2,001,113
Interest receivable	17	14,115,324	11,551,681
Other receivables	18	7,173,911	6,451,451
Tax refunds due from the government	19	68,344,410	61,207,475
Cash and bank balances	20	124,969,042	46,944,371
		384,362,898	378,851,610
TOTAL ASSETS		726,056,258	766,453,040
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
300,000,000 (2023: 300,000,000) ordinary shares of Rs. 10 each	21	3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital	21	1,356,000,000	1,356,000,000
Capital reserves	22	158,042,871	158,584,246
Revenue reserve		(959,992,575)	(937,786,103)
Revaluation surplus on property and equipment	23	16,937,318	17,828,754
		570,987,614	594,626,897
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	24	35,298,792	54,317,475
		35,298,792	54,317,475
CURRENT LIABILITIES			
Current portion of non-current liabilities	25	9,338,951	3,817,255
Trade and other payables	26	107,003,743	109,957,745
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation and tax levies	27	1,041,504	1,348,014
		119,769,852	117,508,668
CONTINGENCIES AND COMMITMENTS	28	-	-
TOTAL EQUITY AND LIABILITIES		726,056,258	766,453,040

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees Restated
Income			
Profit on financing	29	71,111,210	70,092,536
Return on investments	30	20,835,151	20,460,840
Income from fee and commission	31	8,378,955	5,521,555
Profit on bank deposits		18,593,500	9,019,588
Other income	32	17,573,860	5,556,063
		136,492,676	110,650,582
Expenses			
Administrative expenses	33	151,673,049	149,747,313
Finance cost	34	6,551,876	4,861,599
		158,224,925	154,608,912
Operating profit / (loss) before provisions and taxation		(21,732,249)	(43,958,330)
Other operating expenses	35	(3,973,753)	(3,007,306)
Profit / (Loss) before Taxation and tax levies		(25,706,002)	(46,965,636)
Taxation and tax levies - net	36	2,608,094	(1,663,461)
Net profit / (loss) for the Year		(23,097,908)	(48,629,097)
Earnings / (loss) per share - basic and diluted	37	(0.17)	(0.36)

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Net profit/(loss) for the Year		(23,097,908)	(48,629,097)
Other comprehensive income/ (loss):			
<i>Items that will not be reclassified to statement of profit or loss</i>		-	-
<i>Items that may be reclassified subsequently to statement of profit or loss</i>			
(Loss) / profit on remeasurement of long term investments - net of tax		(541,375)	-
Other comprehensive income for the year - net of tax		(541,375)	-
Total Comprehensive income/(loss) for the Year		(23,639,283)	(48,629,097)

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

Particulars	Issued, Subscribed and Paid up Capital	Capital Reserves		Revenue Reserve	Revaluation Surplus on Property and Equipment	Total
		Statutory Reserve	(Deficit) / Gain on Revaluation of Investments			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2022	1,356,000,000	158,496,746	87,500	(890,095,362)	18,767,110	643,255,994
Total comprehensive Income / (loss) for the year	-	-	-	(48,629,097)	-	(48,629,097)
Net Income / (loss) for the year	-	-	-	-	-	-
Other comprehensive Income / (loss) for the year	-	-	-	-	-	-
Total comprehensive Income / (loss) for the year	-	-	-	(48,629,097)	-	(48,629,097)
Transfer from surplus on revaluation of property and equipment on account of : Incremental depreciation on revalued asset for the year - net of	-	-	-	938,356	(938,356)	-
Balance as at June 30, 2023	1,356,000,000	158,496,746	87,500	(937,786,103)	17,828,754	594,626,897
Total comprehensive Income / (loss) for the year	-	-	-	(23,097,908)	-	(23,097,908)
Net profit/(loss) for the year	-	-	(541,375)	-	-	(541,375)
Other comprehensive income/(loss) for the year	-	-	(541,375)	-	-	(541,375)
Total comprehensive income/(loss) for the year	-	-	(541,375)	(23,097,908)	-	(23,639,283)
Transfer from surplus on revaluation of property and equipment on account of: Incremental depreciation on revalued asset for the year - net of	-	-	-	891,436	(891,436)	-
Balance as at June 30, 2024	1,356,000,000	158,496,746	(453,875)	(959,992,575)	16,937,318	570,987,614

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Cash Flow From Operating Activities			
Loss before taxation and levies		(25,706,002)	(46,965,636)
Adjustment for non cash expenses and other items:			
- Depreciation on property and equipment	33	11,160,079	13,187,211
- Depreciation on right of use assets	33	8,632,369	8,407,248
- Amortization on intangible assets	6.1	399,881	599,792
- Interest on lease liabilities against right of use assets	34	4,798,986	4,058,917
- Finance cost	34	1,752,890	802,682
- (Loss) on sale of fixed assets	32	(688,518)	(1,033,584)
- (Loss) /Gain on investment in short term investments	30	(541,375)	-
- Adjustment relating to lease liability	24.1	(6,426,511)	(5,283,246)
- Provision against doubtful finances			
- Long term finances - net	8.3	1,712,554	2,914,200
- Short term finances	14.1	2,255,282	(11,233,112)
		23,055,637	12,420,108
		(2,650,365)	(34,545,528)
Decrease / (increase) in operating assets			
- Long term finances		35,677,827	38,590,597
- Short term finances		(28,143,372)	292,215
- Investments		541,375	-
- Loans and advances		2,474,221	(1,570,021)
- Interest receivable		(2,563,643)	(670,275)
- Other receivables		(722,460)	(1,129,450)
- Long term deposits		(254,000)	2,892,000
- Prepayments		(672,201)	(319,409)
Increase / (decrease) in operating liabilities			
- Trade and other payables		(2,954,002)	(13,500,498)
		3,383,745	24,585,159
Net cash (used) / generated from operations		733,380	(9,960,369)
Finance cost paid		(1,752,890)	(802,682)
Taxation and levies - net		(8,484,949)	(5,279,338)
Net cash (used) / generated from operating activities		(9,504,459)	(16,042,389)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(3,094,565)	(3,779,921)
Proceeds from sale of property and equipment		-	6,730,399
Capital expenditure on intangible assets		(1,303,529)	11,806,394
Additions/(Disposal) of Right of Use Assets		(7,444,021)	3,846,606
Short term investments - net		111,240,707	(63,128,428)
Net cash (Used) / generated from investing activities		99,398,592	(44,524,950)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities	24.1	(11,869,462)	(8,812,111)
Net cash (used) in financing activities		(11,869,462)	(8,812,111)
Net (Decrease) / Increase in Cash and Cash Equivalents During the Year		78,024,671	(69,379,450)
Cash and cash equivalents at the beginning of the year		46,944,371	116,323,821
Cash and Cash Equivalents at the End of the Year		124,969,042	46,944,371

The annexed notes from 1 to 50 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1 Legal Status and its Nature of Business

Escorts Investment Bank Limited ("the Company") is a public limited company incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on May 15, 1995. The Company started its commercial operations on October 16, 1996 and is listed on the Pakistan Stock Exchange (Guarantee) Limited. The Company is licensed to carry out investment finance services, as a Non-Banking Finance Company under Section 282-C of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The incorporation number of the company is L-07927.

The Company's IFS (Investment Finance Services) License is in process of Renewal with SECP.

The Pakistan Credit Rating Agency (PACRA) has revised long term Credit Rating of the Company at "BBB+" and maintained short term Credit Ratings of the Company at "A2" respectively with negative outlook on September 19, 2023. The ratings denote an adequate capacity of timely payment of financial commitments.

Moreover, RMS (Private) Limited had shown its intention to acquire up to 87.96% of the ordinary shares of Escorts Investment Bank Limited in August 2023, which was turned down during the period under review, by the Sponsors.

The Company is a subsidiary of Bahria Town (Private) Limited (the parent company).

The registered office of the Company is situated at 26-Davis Road, Lahore. The branches are located as follows:

City	Branch Address
Lahore	Bahria Town, Corporate Office, Bahria Orchard, Raiwind Road.
Karachi	Bahria Town, Head Office, Bahria Town Super Highway.
Rawalpindi	Bahria Town, Head Office, Phase VIII, Rawalpindi.
Ellahabad	Tufail Plaza near PSO Pump, Chunian Road, District Kasur.
Hafizabad	Lahore Gujranwala Road, Opposite Admore Petrol Pump, Hafizabad.
Nankana	Haider Plaza B-II-IS-II, Malji Road, Nankana Sahib.
Sambrial	Near Makki Masjid, Mohalla Naik Pura, Wazirabad Road, District Sialkot, Sambrial.
Gojra	P-156 Eidgah Road, District Toba Tek Singh, Gojra.
Sheikhupura	Opposite New Sabazimandi, Lahore Road, Sheikhupura.
Sialkot	Haji Pura Road, Opposite Bank Alfalah, Sialkot
Daroghawala	Shadi Pura Band Road Daroghawala Lahore

During the year, the Company has incurred a net loss of Rs. 23.097 million resulting in accumulated losses of Rs. 959.99 million and equity now stands at Rs. 570.988 million. As per the applicable laws and regulations, the Company is required to maintain Minimum Equity Requirement of Rs. 750 million for maintaining deposit taking Investment Finance Services (IFS) license. Resultantly, the Company is in non-compliance of minimum equity requirements as specifically mentioned in Regulation 4 of NBFC Regulations, 2008.

Certain important factors and determinants like Company's positive Capital Adequacy Ratio (CAR), liquidity position and leverage ratio represent its position to timely honor the commitments and liabilities without casting any uncertainty on its going concern. The management and Board further planned multiple actions that will help the Company to increase its capital base and reduce the further accumulation of losses. These includes but not limited to stepping into Islamic Finance, product diversity, reducing non-earning assets, more spirited effort to recover the long outstanding balances and rationalizing the capital structure towards optimization.

2 Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and



Chief Executive Officer



Chief Financial Officer



Chairman

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- Provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and

Where the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, and the NBFC Regulations have been followed.

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.2.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards, as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard:

Standard or Interpretation	Effective Date (Period beginning on or after)
IAS 1 Presentation of Financial Statements [Amendments]	January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16 Leases (Amendments)	January 1, 2024
IAS 21 The Effects of changes in Foreign Exchange rates (Amendments)	January 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17 Insurance Contracts	January 1, 2026
IFRS 9 Financial Instruments - Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 – First Time Adoption of International Financial Reporting Standards
 IFRIC 12 – Service Concession Arrangement
 IFRS 18 – Presentation and Disclosures in Financial Statements.
 IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The Company will assess the impacts of these changes in the period of initial application once such changes become effective for the Company.

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and equipment – Note 3.1 & 5
- Allowance for expected credit losses – Note 3.7, 8.3, 14.1 & 18.1.1
- Estimation of contingent liabilities - Note 3.21,28
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - Note 3.14, 11, 27 & 36

However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

3 Material Accounting Policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes as indicated below in note 4.

3.1 Property and equipment

Property and equipment other than office premises are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Office premises are measured at the revalued amount less accumulated depreciation and impairment loss. Capital work in progress is stated at cost less impairment loss, if any.

Depreciation is charged so as to write off the cost or revalued amount of assets (other than capital work in progress) over their estimated useful lives, using the reducing balance method at rates specified in note 5 to the financial statements. Depreciation on addition to property and equipment is charged from the month when asset is available for use and not charged for the month of its de-recognition.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other income in the statement of profit or loss. In case of the derecognition of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the unappropriated profit.

Useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of property and equipment are provided in Note 45.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Fully depreciated assets are being kept at a token value of Rupee 1 each.

3.2 Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, at rates specified in note 5.2 to the financial statements.

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

3.3 Intangible assets

-Computer Software

Intangible assets represent computer software and are stated at cost less accumulated amortization and any identified impairment loss. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life are recognized as capital improvement and added to the original cost of the software.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the reducing balance method at the rates specified in note 6 to the financial statements. Amortization on addition is charged from the month when asset is available for use up to the month of its de-recognition.

The company assesses at each reporting date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in income. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.4 Revaluation surplus

Any revaluation increase arising on the revaluation of office premises is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of office premises is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property and equipment relating to a previous revaluation of that asset. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit / accumulated loss.

3.5 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill (if any), pro rata with the carrying amounts of those assets. The increase in the carrying amounts is treated as reversal of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset is treated as a revaluation increase.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and cash with banks in current and deposit accounts.

3.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Company measures debt instruments at FVOCI if the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments, listed equity investments which the Company had not irrevocably elected to classify at FVOCI and investments in mutual funds. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

IFRS 9 replaces the incurred loss model with expected credit loss with distinct approach. The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at amortized cost (other than trade receivables and contract assets) and FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company's debt instruments at FVOCI are graded in light of guidelines by the Good Credit Rating Agency. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 210 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

In accordance with the Accounting Guidance "Application of IFRS 9 by Non-Banking Finance Companies", issued by Institute of Chartered Accountants of Pakistan. The Companies are required to apply NBFCs regulations' requirements on portfolios of specific credit facility in conjunction with requirements of IFRS 9. Therefore, the company recognised allowance as higher of provision calculated under NBFCs regulations & IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost

This is the category most relevant to the Company. After initial recognition, these are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Dividend income

Dividend income is recognized in profit or loss as other income when the Company's right to receive payment have been established; is probable that the economic benefits associated with the dividend will flow to the Company; and the amount of the dividend can be measured reliably.

3.8 Lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

a) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

3.9 Provisions

Provisions are recorded when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.10 Staff retirement benefits

a) Employees compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue. As the component of liability involved is not material, the Company did not carry out actuarial valuation for the said liability.

b) Provident fund

The Company operates approved contributory provident fund for all permanent employees. Equal monthly contribution is made both by employees and the Company to the fund at 10% of basic salary. The Company's contributions are recognized as employee benefit expense when they are due. The fund is administrated by the Trustees.

3.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.12 Revenue recognition

- a) Return on finances provided, placements and government securities are recognized on time proportionate basis.
- b) Brokerage commission and other advisory fee are recognized when such services are provided.
- c) Capital gains or losses arising on sale of investments are taken to income in the period in which they arise.
- d) Reversal of provision is recognized as per requirement of NBFC regulation.
- e) Dividend income is recognized when the right to receive payment is established.
- f) Income on bank deposits are recognized on accrual basis.
- g) Rental income on properties are recognized on accrual basis.
- h) Processing income is recognized when the right to receive payment is established.

3.13 Return on deposits and borrowings

Return on Certificates of Deposits (CODs) and borrowings are recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

3.14 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

a) Current taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

b) Deferred tax

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, unused tax losses and credits.

In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

c) Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available so that part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

d) Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.15 Operating segment

The Company has structured its key business areas in two segments in a manner that each segment becomes a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Business segments

The Company's activities are broadly categorized into financing activities and investment activities.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

Financing activities

Financing activities include providing long-term and short-term financing facilities to corporate and individual customers including lease financing.

Investment activities

Investment activities include money market activities, investment in government securities, advisory services, capital market activities and the management of the Company's liquidity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

3.16 Related party

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

3.17 Dividend distributions and appropriations

Dividend distribution and appropriations other than statutory appropriations are recognized as a liability in the period in which the dividends are approved by the the Board of Directors.

3.18 Borrowings cost

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset.

3.19 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pak rupees at the rates of exchange prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the reporting date. Gains or losses on are charged to income.

3.20 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.21 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) has issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 - the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, contingent liabilities and contingent assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum and final taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21. The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current year or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of July 01, 2022 is not material to these financial statements. In accordance with the requirements of IAS 1 (Presentation of financial statements), the balances as at June 30, 2023 have been restated and third statement of financial position as of July 01, 2022 has not been presented due to immaterial impact.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
5 Property and equipment			
Operating fixed assets - tangible	5.1	106,025,763	113,402,759
Right of use assets	5.2	37,889,109	39,077,457
Advances against purchase of assets	5.3	495,662	425,454
		144,410,534	152,905,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.1 The following is a statement of operating fixed assets (tangible):

Description	Office premises	Freehold improvements	Leasehold improvements	Office furniture and fixtures	Computer equipment	Office equipment	Owned vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
NET CARRYING VALUE BASIS								
Year Ended June 30, 2024								
Opening net book value	72,041,363	4,701,791	12,495,671	7,548,388	5,388,366	8,310,726	2,916,454	113,402,759
Additions	-	-	2,871,870	156,550	898,789	635,925	-	4,563,134
Derecognitions:								
Cost	-	-	1,566,113	106,574	94,405	13,480	-	1,780,572
Accumulated depreciation	-	-	(880,086)	(33,380)	(81,729)	(5,326)	-	(1,000,521)
	-	-	(686,027)	(73,194)	(12,676)	(8,154)	-	(780,051)
Depreciation charge for the year (Note no. 5.1.2)	(3,602,068)	(940,358)	(2,559,230)	(753,312)	(1,869,246)	(852,575)	(583,290)	(11,160,079)
Closing net book value	68,439,295	3,761,433	12,122,284	6,878,432	4,405,233	8,085,922	2,333,164	106,025,763
Gross Carrying Value Basis								
Year Ended June 30, 2024								
Cost / revalued amount	148,470,120	12,605,227	43,137,534	12,879,449	15,726,816	13,832,755	6,044,671	252,696,572
Accumulated depreciation	(80,030,825)	(8,843,794)	(31,015,250)	(6,001,017)	(11,321,583)	(5,746,833)	(3,711,507)	(146,670,809)
Net book value	68,439,295	3,761,433	12,122,284	6,878,432	4,405,233	8,085,922	2,333,164	106,025,763
NET CARRYING VALUE BASIS								
Year Ended June 30, 2023								
Opening net book value	75,833,014	5,263,005	15,057,843	7,729,699	7,195,901	9,195,581	8,231,821	128,506,864
Additions	-	540,779	826,528	1,330,898	609,717	471,999	-	3,779,921
Derecognitions:								
Cost	-	-	774,777	990,109	64,000	452,517	10,366,410	12,647,813
Accumulated depreciation	-	-	(463,726)	(280,474)	(41,720)	(125,703)	(6,039,375)	(6,950,998)
	-	-	(311,051)	(709,635)	(22,280)	(326,814)	(4,327,035)	(5,696,815)
Depreciation charge for the year (Note no. 5.1.2)	(3,791,651)	(1,101,993)	(3,077,649)	(802,574)	(2,394,972)	(1,030,040)	(988,332)	(13,187,211)
Revaluation surplus for the year	-	-	-	-	-	-	-	-
Closing net book value	72,041,363	4,701,791	12,495,671	7,548,388	5,388,366	8,310,726	2,916,454	113,402,759
Gross Carrying Value Basis								
Year Ended June 30, 2023								
Cost / revalued amount	148,470,120	12,605,227	41,831,777	12,829,473	14,922,432	13,210,310	6,044,671	249,914,010
Accumulated depreciation	(76,428,757)	(7,903,436)	(29,336,106)	(5,281,085)	(9,534,066)	(4,899,584)	(3,128,217)	(136,511,251)
Net book value	72,041,363	4,701,791	12,495,671	7,548,388	5,388,366	8,310,726	2,916,454	113,402,759
Annual rates (%) of depreciation	5.00	20.00	20.00	10.00	33.33	10.00	20.00	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.1.1 Disposal of property and equipment

The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceed	Gain / (Loss)	Mode of Disposal	Particulars of purchaser
Leasehold Improvements Writeoff	1,566,113	(880,086)	686,027	-	(686,027)	-	-
Aggregate of items of operating fixed assets with individual book values not exceeding Rs. 500,000	214,459	(120,435)	94,024	91,533	(2,491)	Negotiation	-
Rupees 2024	1,780,572	(1,000,521)	780,051	91,533	(688,518)		
Rupees 2023	12,647,813	(6,950,998)	5,696,815	9,730,399	4,033,584		

5.1.2 Depreciation charge for the year has been allocated to administrative expenses (Note 33).

5.1.3 Particulars of the Company's immovable property (i.e. office premises) are as follows:

Location	Total area (square feet)
Davis Road, Lahore	3,315
Vogue Tower, Lahore	606

5.1.4 Had there been no revaluation, the carrying values of the office premises would have been as follows;

	Rupees	
	Cost	Accumulated Depreciation
Office Premises 2024	89,692,600	59,294,570
Office Premises 2023	89,692,600	57,694,674
		Net Book Value
		30,398,030
		31,997,926

5.1.5 The forced sale value of office premises has been assessed at Rs. 66.876 million.

5.1.6 The fair value measurements of the Company's office premises were performed by M/s Minhas Associates for Davis Road building as at June 28, 2021 and M/s Iqbal A. Nanjee & Co. (Private) Limited for Vogue Tower as at February 11, 2021, who are independent valuers not related to the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
5.2 Right-of-use assets			
Opening balance		39,077,457	51,331,311
Additions		22,270,836	-
Depreciation	33	(8,632,369)	(8,407,248)
Adjustment relating to termination of lease		(14,826,815)	(2,505,116)
Adjustment relating to remeasurement of lease liability	24.1	-	(1,341,490)
		37,889,109	39,077,457
Depreciation rate		10% - 15%	10% - 15%
5.2.1 Right-of-use assets comprise office space taken for office operations. There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed. Leases have lease terms between 7 to 10 years.			
5.2.2 The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' or 'lease of low-value assets' recognition exemptions for these leases.			
5.3 Advances against purchase of assets			
This represent advances given to supplier for purchase of asset.			
	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
6 Intangible Assets			
Accounting software	6.1	799,882	1,199,763
Advance for ERP implementation		4,606,388	3,302,859
		5,406,270	4,502,622
6.1 Accounting software			
Net carrying value			
Opening balance		1,199,761	1,799,553
Less: Amortization charge for the year	33	399,881	599,792
		799,880	1,199,761
Gross carrying value			
Cost		10,735,744	10,735,744
Less: Accumulated Amortization		9,935,864	9,535,983
		799,880	1,199,761
Amortization rate per annum		33.33%	33.33%
Amortization charge for the year has been allocated to administrative expenses (Note 33).			
	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
7 Long Term Investments			
Fair value through other comprehensive income (FVTOCI) - Quoted			
Term finance certificates:			
Cost	7.1	25,000,000	25,000,000
(Loss) / gain on revaluation of investments	22	(453,875)	87,500
		24,546,125	25,087,500
7.1 This represents investment in Additional Tier - 1 TFCs of United Bank Limited bearing mark-up @ 3-months KIBOR (ask side) + 1.55% p.a. Fair values of these TFCs are determined by reference to published price quotations in an active market (fair value level 1).			
	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
8 Long Term Finances			
Considered good	8.1	71,802,582	107,357,550
Considered doubtful	8.2	42,969,408	43,064,803
		114,771,990	150,422,353
Less: Allowance for expected credit losses	8.3	41,530,925	39,818,371
		73,241,065	110,603,982
Less: Current portion	12	36,846,866	32,558,442
Less: General provision for micro finance portfolio	8.4	137,660	110,196
		36,256,539	77,935,344

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
8.1 Considered good			
House finance - secured	8.1.1	45,709,122	88,564,838
Micro finance	8.1.2	26,093,460	18,792,712
Others - secured		-	-
		71,802,582	107,357,550

8.1.1 This represents amount disbursed to house finance customers at return rate ranging from 22.13% to 31.27% (2023: 14.04% to 27.43%) per annum for tenure of 2 to 20 years. These finances are secured to the extent disclosed in note 42.1 (a).

8.1.2 This represents amount disbursed to micro finance customers at return rate ranging from 48.2% to 54.6% (2023: 48.2% to 51.4%) per annum for tenure of 1 to 2 years. These finances are secured to the extent disclosed in note 42.1 (a).

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
8.2 Considered doubtful			
House finance - secured		-	-
Micro finance		17,381,334	12,120,381
Others - secured	8.2.1	25,588,074	30,944,422
		42,969,408	43,064,803

8.2.1 These finance facilities are secured by ranking charge on assets and pledge of stocks. The expected rate of return ranges from 14% to 17% (2023: 14% to 17%) per annum.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
8.3 Allowance for expected credit losses			
Opening balance		39,818,371	40,112,375
Charge for the year		1,712,554	2,914,200
Less: Reversal for the year		-	(3,208,204)
		41,530,925	39,818,371

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
8.4 Particulars of general provision for micro finance portfolio			
Opening balance		110,196	134,167
(Reversal) / charge for the year		27,464	(23,971)
Closing balance	8.4.1	137,660	110,196

8.4.1 This represents provision accounted for in accordance with Regulation 25A 'Creation of General Provision against micro finance portfolio' of Non-Banking Finance Companies and Notified Entities Regulations, 2008 at 0.5% of outstanding micro finance portfolio.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
9 Net Investment in Lease Finances			
Lease rental receivables	9.1	578,415	578,415
Add: Residual value		2,165,985	2,165,985
		2,744,400	2,744,400
Less: Unearned finance income		49,628	49,628
		2,694,772	2,694,772
Less: Allowance for expected credit losses		528,787	528,787
		2,165,985	2,165,985
Less: Current portion	12	2,165,985	2,165,985
		-	-

9.1 Leases made by the Company were for a period of three to five years. Security deposits obtained at the time of disbursement of lease facility ranged from 11% to 16% (2023: 11% to 16%). The rate of return ranged from 15% to 17% per annum (2023: 15% to 17% per annum) and penalty is charged in case of delayed payment.

As per Non-Banking Finance Companies and Notified Entities Regulations, 2008, the aggregate net exposure in finance leases against which provision is required amounted to Rs. 0.529 million (2022: Rs. 0.529 million) at the end of current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
10 Long Term Deposits			
Considered good			
Related party	10.1	7,627,674	7,627,674
Others		848,600	594,600
		8,476,274	8,222,274
Considered doubtful			
Others		330,350	330,350
Less: Allowance for expected credit losses	10.2	330,350	330,350
		-	-
		8,476,274	8,222,274

10.1 This represents security deposit against leasehold branches located in Bahria Town all over Pakistan being leased by the holding company i.e. Bahria Town (Private) Limited. This security is adjustable against future rental expenditures.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
10.2 Allowance for expected credit losses			
Opening balance		330,350	330,350
Charge for the year		-	-
Closing balance		330,350	330,350
	Note	30-Jun-24 Rupees	30-Jun-23 Rupees

11 Deferred Tax Asset - Net

Deferred taxation comprises the following:

Deferred tax liability on taxable temporary differences

Property and equipment	(9,727,275)	(9,686,032)
Revaluation surplus on property and equipment	(6,918,060)	(7,282,167)
Short term investment (unrealized gain on remeasurement)	(2,511,446)	(1,687,694)
Right of use assets	(10,987,842)	(11,332,463)
	(30,144,623)	(29,988,356)

Deferred tax asset on deductible temporary differences

Intangible assets	(231,966)	(347,931)
Long term finances (Provision for murabaha financing and others)	4,623,427	4,126,786
Long term investments	131,624	(25,375)
Net investment in lease finance (Provision for doubtful leases)	153,348	153,348
Short term finances (Provision for doubtful finances)	4,138,058	3,490,275
Other receivables (Provision for doubtful receivables)	-	-
Lease liabilities	12,316,810	16,230,936
Tax losses	157,489,448	179,286,687
	178,620,749	202,914,726
	148,476,126	172,926,370
Deferred tax asset not recognized during the year	(25,878,508)	(53,978,350)
	122,597,618	118,948,020

11.1 The Company has an aggregate amount of deferred tax assets of Rs. 122.598 million (2023: Rs.118.948 million), which represents management's best estimate of the probable benefits expected to be realized in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years against taxable temporary differences relating to prior years. The Company has prepared financial projections for future taxable profits, to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as raise of deposits, growth in customer base, investment returns, potential provision against assets, interest rates and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax asset. The management believes that it is probable that the Company will be able to achieve the profits and consequently, the deferred tax asset will be fully realized in future. Deferred tax asset not recognized during the year relates to business losses for the tax year 2019, 2020 and certain portion of 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
11.2 Movement in deferred tax asset - net			
Opening balance		118,948,020	119,263,467
Recognized in statement of profit or loss	36	2,301,584	(315,447)
Recognized in other comprehensive income arising on revaluation surplus		-	-
		121,249,604	118,948,020
12 Current Portion of Non-Current Assets			
Long term finances	8	36,846,866	32,558,442
Net investment in lease finance	9	2,165,985	2,165,985
		39,012,851	34,724,427
13 Short Term Investments			
Amortized cost			
Treasury bills			
Face value	13.1	-	119,000,000
Less: Discount		-	(4,918,771)
		-	114,081,229
Fair value through profit or loss (FVTPL)			
Mutual funds - 494.7811 (2023: 469.4184) units of Rs. 10.4466 (2023: Rs. 6.5328) each		5,169	3,067
Shares - others	13.2	8,654,988	5,816,568
		8,660,157	119,900,864
13.1 Encumbered and un-encumbered			
		Treasury Bill - Face Value	
		Held by Bank	Given as Collateral
		Rupees	Rupees
		Total	Rupees
As at June 30, 2024		-	-
As at June 30, 2023		119,000,000	-
		-	119,000,000
13.1.1 Investment in treasury bills is made for 3 months tenure and effectively yield ranging from 21.12% to 22.87% (2023: 14.90% to 21.95%) per annum.			
13.2 This represents investments in various listed companies' shares. Due to the changes in NBFC Regulations in 2008, the Company had to conclude its brokerage business under the Investment Finance Services License. The Company started the process of intimating its brokerage clients to close their accounts with the Company in compliance with these regulations. Most of the account holders have closed their accounts accordingly. Certain accounts could not be transferred/closed because of non receipt of response from the holders despite repeated reminders. The management has decided to record these in statement of financial position as an asset and a corresponding liability of the same amount. These shares are kept at fair value and the fair value gain or loss is parked in corresponding liabilities.			
	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
14 Short Term Finances			
Other than related parties:			
Micro Finance - Considered good		85,672,839	79,315,056
Micro Finance - Considered doubtful		29,713,549	23,698,636
Gold Finance		30,176,000	-
		145,562,388	103,013,692
Less: Allowance for expected credit losses	14.1	28,260,408	11,578,255
		117,301,980	91,435,437
Less: General provision for micro finance portfolio	14.2	435,630	457,177
		116,866,350	90,978,260

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
14.1 Allowance for expected credit losses			
Opening balance		26,005,126	22,811,367
Charge for the year		2,255,282	3,193,759
Closing balance		28,260,408	26,005,126
14.2 Particulars of general provision for micro finance portfolio			
Opening balance		457,177	340,100
Charge for the year		(21,547)	117,077
Closing balance	14.2.1	435,630	457,177
14.2.1 This represents provision accounted for in accordance with Regulation 25A 'Creation of General Provision against micro finance portfolio' of Non Banking Finance Companies and Notified Entities Regulations, 2008 at 0.5% of outstanding micro finance portfolio.			
14.3 These finances are secured to the extent disclosed in note 42.1 (a).			
	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
15 Short Term Advances			
Advances against salaries / expenses - considered good	15.1	714,206	652,880
Advances to consultants - considered good		1,833,333	4,439,088
		2,547,539	5,091,968
15.1 Movement in short term advances			
Opening balance		652,880	601,933
Adjusted during the year		61,326	50,947
Closing balance		714,206	652,880
16 PREPAYMENTS			
Prepayments		2,673,314	2,001,113
17 Interest Receivable			
Interest from financing		13,112,502	10,533,324
Interest from long term investments		1,002,822	1,018,357
		14,115,324	11,551,681
18 Other Receivables			
Receivable from clients	18.1	816,451	719,511
Sales tax - net		6,268,174	5,600,211
Others	18.2	89,286	131,729
		7,173,911	6,451,451
18.1 Receivable from clients			
Considered good		816,451	719,511
Considered doubtful		28,078,437	28,078,437
Less: Allowance for expected credit losses	18.1.1	28,078,437	28,078,437
		-	-
		816,451	719,511
18.1.1 Allowance for expected credit losses			
Opening balance		28,078,437	28,953,437
Adjusted during the period		-	(875,000)
Closing balance		28,078,437	28,078,437
18.2 Others			
Considered good		89,286	131,729
Considered doubtful		5,742,979	5,742,979
Less: Allowance for expected credit losses	18.2.1	5,742,979	5,742,979
		-	-
		89,286	131,729

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
18.2.1 Allowance for expected credit losses			
Opening balance		5,742,979	5,742,979
Charge for the year		-	-
Closing balance		5,742,979	5,742,979

19 Tax Refunds due from the Government			
Opening balance		61,207,475	58,547,989
Payments made during the year		8,484,949	5,279,338
Adjustment against provision for taxation	27	(1,348,014)	(2,619,852)
		68,344,410	61,207,475

20 Cash and Bank Balances			
Cash in hand		1,538,409	1,980,372
Cash with banks			
Current accounts with			
- State Bank of Pakistan		96,383	98,354
- Others		476,283	531,397
		572,666	629,751
Saving and deposit accounts	20.1	122,857,967	44,334,248
		124,969,042	46,944,371

20.1 Rate of return on saving accounts range from 19.5% to 20.5% (2023: 12.25% to 19.5%) per annum.

20.2 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows at the end of the financial year.

20.3 Reconciliation of liabilities arising from financing activities

	As at June 30, 2023 Rupees	Non-cash changes Rupees	Cash flows Rupees	As at June 30, 2024 Rupees
Lease liabilities	55,968,745	(1,627,525)	(11,869,462)	42,471,758
	55,968,745	(1,627,525)	(11,869,462)	42,471,758

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
21 Issued, Subscribed and Paid-Up Share Capital			
Authorized Capital			
Ordinary Shares of Rs. 10 each 3,000,000,000 (2023: 3,000,000,000)		3,000,000,000	3,000,000,000
Ordinary shares of Rs. 10 each fully paid in cash 133,500,000 Shares, 2023 (133,500,000 Shares)		1,335,000,000	1,335,000,000
Ordinary shares of Rs. 10 each allotted as bonus shares 2,100,000 Shares, 2023 (2,100,000 Shares)		21,000,000	21,000,000
		1,356,000,000	1,356,000,000

21.1 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
22 Capital Reserves			
Statutory reserve	22.1	158,496,746	158,496,746
Gain on revaluation of investments	7	(453,875)	87,500
		158,042,871	158,584,246

This represents special reserve created in compliance with Regulation 16 of NBFC 2008 for Non-Banking Finance Companies issued by the Securities and Exchange Commission of Pakistan (SECP).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
23 Revaluation Surplus on Property and Equipment			
Opening balance		25,110,922	26,432,550
Less: Incremental depreciation for the year		(1,255,544)	(1,321,628)
		23,855,376	25,110,922
Opening deferred tax liability		7,282,168	7,665,440
Less: Related deferred tax on incremental depreciation		(364,108)	(383,272)
		6,918,060	7,282,168
		16,937,318	17,828,754

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property and equipment carried at revalued amount.

The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
24 Lease Liabilities			
Lease liabilities	24.1	42,471,758	55,968,745
Less: Current portion	25	7,172,966	1,651,270
		35,298,792	54,317,475

24.1 Set out below are the carrying amounts of lease liabilities and the movements during the year:

Opening balance		55,968,745	66,005,185
Additions		14,828,100	-
Interest on finance lease	34	4,798,986	4,058,917
Adjustment relating to termination of lease		(21,254,611)	(3,941,756)
Adjustment relating to remeasurement of lease liability	5.2	-	(1,341,490)
Payments		(11,869,462)	(8,812,111)
Closing balance		42,471,758	55,968,745

	2024		
	Lease payments Rupees	Finance cost Rupees	Present value of lease liability Rupees
Not later than one year	11,305,181	4,132,214	7,172,967
Later than one year and not later than five years	41,987,286	6,688,495	35,298,791
Later than five years and above	-	-	-
	53,292,467	10,820,709	42,471,758

	2023		
	Lease payments Rupees	Finance cost Rupees	Present value of lease liability Rupees
Not later than one year	8,879,793	3,054,362	5,825,431
Later than one year and not later than five years	44,368,855	7,712,079	36,656,776
Later than five years and above	13,887,562	401,024	13,486,538
	67,136,210	11,167,465	55,968,745

24.1.1 These represent lease liabilities against the rental agreement of Company branches. As a result, the Company, as a lessee, has recognized right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

24.2 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Carrying amount of ROU assets	Property and equipment	5.2	37,889,109	39,077,457
Expense relating to short-term leases	Administrative expenses	33	2,724,800	3,684,890
Depreciation charge	Administrative expenses	33	8,632,369	8,407,248
Interest expense	Finance cost	34	4,798,986	4,058,917

25 Current Portion of Non-Current Liabilities

Lease liabilities	24	7,172,966	1,651,270
Long term security deposits	25.1	2,165,985	2,165,985
		9,338,951	3,817,255

25.1 These represent interest free security deposits received on lease contracts and are adjustable at the expiry of the lease contracts. These security deposits have been utilized for business purposes.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
26 Trade and Other Payables			
Certificate of depositors - deceased, untraceable and others	26.1	67,423,403	67,423,403
Accrued expenses and other payables		39,280,886	42,534,342
Payable to employee's provident fund		299,454	-
		107,003,743	109,957,745

26.1 These certificates of deposit remained unpaid due to non-submission of succession certificates (by legal heirs of depositors), lien created by Bahria Town (Private) Limited and other legal issues.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
27 Provision for Taxation and levies			
Opening balance		1,348,014	2,619,852
Add: Current tax levies charge for the year	36	1,041,504	1,348,014
Less: Adjusted with advance tax	19	(1,348,014)	(2,619,852)
		1,041,504	1,348,014

28 Contingencies and Commitments

28.1 Contingencies

- For tax year 2009, tax department finalized an order U/S 161/205 of the Income Tax Ordinance, 2001. The Company filed an appeal against the said order in CIR(A) who has directed the assessing officer to look into the matter again. The case is pending for adjudication and the Company expects a favorable outcome in this regard, therefore, no provision has been made in these financial statements.
- For tax year 2015, tax department finalized an order U/S 161/205 of the Income Tax Ordinance, 2001. As a result thereof, order dated June 22, 2021 was issued by creating tax demand of Rs. 16.08 million. The Company being aggrieved by the order filed an appeal before CIR(A) on June 22, 2021 which is pending for adjudication and the Company expects a favorable outcome in this regard, therefore, no provision has been made in these financial statements.
- Sindh Revenue board has initiated the proceedings by issuing notice u/s 52(1) of the Sindh Sales tax on Services Act, 2011 for the scrutiny of Sindh sales tax returns and records for tax years 2012, 2013 and 2014 on January 22, 2018 and February 12, 2018, which was duly complied by the Company on February 7, 2018 and March 9, 2018 and subsequently no further notice was received nor any order was passed in this regard. The Company expects favorable outcome in this regard, therefore, no provision has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- d) For tax year 2015, income tax return has been amended by Assistant / Deputy Commissioner (A/DCIR) vide order dated January 31, 2019 u/s 122(5) by creating a tax demand of Rs. 2.78 million. The Company filed an appeal before Commissioner Inland Revenue (Appeals), who vide Order No. 53 dated June 26, 2019 quashed the demand but confirmed the additions of certain expenditures. The Company has filed an appeal before Appellate Tribunal Inland Revenue on August 29, 2019 against the aforesaid additions and same is pending for adjudication. The Company expects favorable outcome in this regard, therefore, no provision has been made in these financial statements.
- e) The Company filed a recovery suit on November 8, 1999 against M/s Faran Maize Industries (Private) Limited in the Honorable Banking Court No. VII, Lahore which was decreed in favor of the Company for a decree amount of Rs. 15.43 million. However, M/s Faran Maize Industries (Private) Limited has filed objections on auction schedule which is pending for arguments.
- f) Securities and Exchange Commission of Pakistan (SECP) curtailed the deposit taking permission to the Company to raise deposits from individuals, sole proprietors, provident/gratuity funds, trusts, charitable institutions and Section 42 companies. A Constitutional Writ Petition No. 12675/2020 is filed on February 19, 2020 by the Company before the Honorable Lahore High Court, Lahore against the order of SECP. The matter is pending before High Court for adjudication. The Company expects favorable outcome in this regard, therefore, no provision has been made in these financial statements.
- g) Notices u/s 170(4) of the income tax ordinance have been issued in respect of tax year 2020 and 2021 to verify the authenticity of refund claims amounting to Rs. 10.13 million and Rs. 3.16 million respectively. The company is in the process of compliance of the same. The Company expects favorable outcome in this regard, therefore, no provision has been made in these financial statements.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
28.2 Commitments			
ERP implementation		3,739,611	4,981,065
29 Profit on Financing			
Long term		26,184,590	33,775,730
Short term		44,926,620	36,316,806
		71,111,210	70,092,536
30 Return on Investments			
Amortized cost			
- Treasury bills		14,959,207	15,754,603
Fair value through profit or loss			
- Mutual funds		2,102	-
Fair value through other comprehensive income			
- Term finance certificates		5,873,842	4,706,237
		20,835,151	20,460,840
31 Income from Fee and Commission			
Documentation charges			
House finance		154,005	-
Micro finance		8,224,950	5,521,555
		8,378,955	5,521,555

This represents processing income received from house finance and micro finance customers.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
32 Other Income			
Income from financial assets			
Late payment charges		1,095,176	652,051
Broken period income		308,000	97,444
Early payment / termination charges		2,623,560	1,269,078
Miscellaneous income		13,148,711	1,746,406
		17,175,447	3,764,979

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Income from non - financial assets			
Rental income		833,250	757,500
Net (Loss) on sale of fixed assets		(688,518)	1,033,584
Remeasurement of Lease Liability		253,681	-
		398,413	1,791,084
		17,573,860	5,556,063

33 Administrative Expenses

Salaries, allowance and other benefits	33.1	92,311,964	86,237,686
Directors' meeting fee and others		900,000	4,250,000
Staff training and welfare		8,624	-
Advertisement and business promotion		190,186	277,700
Rent, rates and taxes		3,062,920	4,279,500
Utilities		5,368,515	4,570,406
Communication charges		3,537,345	2,657,248
Travelling and vehicle maintenance		1,728,132	1,837,710
Repairs and maintenance		6,331,799	4,237,950
Entertainment		724,839	977,479
Fees and subscriptions		2,830,437	3,296,635
Legal and professional charges		8,237,734	8,194,049
Auditors' remuneration	33.2	1,852,900	1,852,900
Printing and stationery		1,178,564	1,782,359
Insurance	33.3	3,216,761	3,101,440
Depreciation on property and equipment	5.1.2	11,160,079	13,187,211
Depreciation on right of use assets	5.2	8,632,369	8,407,248
Amortization on intangible assets	6.1	399,881	599,792
		151,673,049	149,747,313

33.1 This includes contribution to provident fund amounting to Rs. 1.764 million (2023: Rs. 2.084 million) made by the Company in the approved provident fund trust.

33.2 Auditors' remuneration

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Statutory audit fee		1,334,000	1,334,000
Half year review		342,400	342,400
Special purpose audit fee		-	-
Certification fee		57,750	52,500
Out of pocket expenses		118,750	124,000
		1,852,900	1,852,900

33.3 This includes insurance expense amounting to Rs. 0.122 million (2023: Rs. 0.123 million) for covering any losses that may be incurred as a result of employee's fraud or gross negligence in accordance with rule - 9 "Insurance Coverage "of NBFC (Establishment and Regulation) Rules, 2003.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
34 Finance Cost			
Interest on lease liability against right-of-use assets	24.1	4,798,986	4,058,917
Bank and other charges		1,752,890	802,682
		6,551,876	4,861,599

35 Other Operating Expenses

General provision on microfinance portfolio	8.4 & 14.2	5,917	93,106
Allowance for expected credit losses	8.3 & 14.1	3,967,836	2,914,200
		3,973,753	3,007,306

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FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
36 Taxation and levies - net			
levies - minimum tax:			
- Current	27	1,041,504	1,348,014
- Current tax		-	-
- Deferred tax	11.2	(3,649,598)	315,447
		(2,608,094)	1,663,461

Income tax return has been filed to the income tax authorities up to and including tax year 2023 under the provisions of the Income Tax Ordinance, 2001.

Provision for taxation and tax levies has been made in accordance with section 113 of the Income Tax Ordinance, 2001 ("the Ordinance"). There is no relation between aggregate tax expense and accounting profit. Accordingly, no numerical reconciliation has been presented.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
37 Earnings / (Loss) per Share - Basic and Diluted			
Net earning / (loss) for the year	Rupees	(23,097,908)	(48,629,097)
Weighted average number of ordinary shares	Number	135,600,000	135,600,000
Earnings / (Loss) per share - basic and diluted	Rupees	(0.17)	(0.36)

Diluted earning / (loss) per share has not been presented separately as the Company did not have any convertible instruments in issue at June 30, 2024 and June 30, 2023 which would have had any effect on the loss per share, had the option to convert been exercised.

38 Segmental Analysis

The Company's activities are broadly categorized into two primary business segments namely financing activities and investment activities within Pakistan:

38.1 Financing activities

House finance activities

House finance activities include providing long-term financing facilities to individuals (both salaried and self-employed) of house finance customers.

Micro finance activities

Micro finance activities include providing long-term and short-term financing facilities to poor individuals (both salaried and self-employed) and micro - enterprise customers.

Term and other finance activities

Term finance activities include providing long-term financing facilities to corporate entities and individuals. Other operations that do not fall into the above referred activities are reported under 'Term and other finance activities'.

38.2 Investment activities

Investing activities include money market activities, investment in government securities, advisory services, capital market activities and the management of the Company's liquidity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	For the year ended June 30, 2024				
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
	Rupees	Rupees	Rupees	Rupees	Rupees
Profit on financing	13,251,000	57,860,210	-	-	71,111,210
Income from fee and commission	154,005	8,224,950	-	-	8,378,955
Return on investments	-	-	-	39,428,651	39,428,651
Other income	2,811,973	1,224,763	-	13,537,124	17,573,860
Total income of segment	16,216,978	67,309,923	-	52,965,775	136,492,676
Finance costs	-	4,798,986	-	1,752,890	6,551,876
Other expenses	-	3,973,753	-	-	3,973,753
Depreciation expense	1,045,173	10,276,216	-	8,471,059	19,792,448
Administrative expenses	4,682,410	37,288,451	-	89,909,740	131,880,601
Segment result	10,489,395	10,972,517	-	(47,167,914)	(25,706,002)
Other income - unallocated					-
Other expenses - unallocated					-
Loss before taxation					(25,706,002)
Capital expenditure	1,095,152	3,422,351	45,631	-	
Segment assets	57,084,836	199,256,486	2,165,985	34,209,104	292,716,411
Cash and bank balances					124,969,042
Unallocated assets					308,370,805
					726,056,258
Segment liabilities	14,904,428	33,466,705	1,212,952	953,033	50,537,118
Unallocated liabilities					104,531,526
Equity					570,987,614
					726,056,258

	For the year ended June 30, 2023				
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term and other finance activities		
	Rupees	Rupees	Rupees	Rupees	Rupees
Profit on financing	26,165,739	43,926,797	-	-	70,092,536
Income from fee and commission	-	5,521,555	-	-	5,521,555
Return on investments	-	-	-	29,480,428	29,480,428
Other income	1,460,130	4,095,933	-	-	5,556,063
Total income of segment	27,625,869	53,544,285	-	29,480,428	110,650,582
Finance costs	-	4,058,917	-	802,682	4,861,599
Other expenses	-	3,007,306	-	-	3,007,306
Depreciation expense	1,045,173	12,078,227	-	8,471,059	21,594,459
Administrative expenses	4,682,410	39,811,408	-	83,659,036	128,152,854
Segment result	21,898,286	(5,411,573)	-	(63,452,349)	(46,965,636)
Other income - unallocated					-
Other expenses - unallocated					-
Loss before taxation					(46,965,636)
Capital expenditure	1,625,366	2,078,957	37,799	-	
Segment assets	100,662,043	172,982,337	2,165,985	146,694,666	422,505,031
Cash and bank balances					46,944,371
Unallocated assets					297,003,638
					766,453,040
Segment liabilities	2,741,700	59,289,370	1,147,972	1,018,013	64,197,055
Unallocated liabilities					107,629,088
Equity					594,626,897
					766,453,040

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

All non-current assets of the Company are located in Pakistan.

39 Transactions with Related Parties

The related parties and associated undertakings comprise, associated companies / undertakings, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

Transactions during the year

Related party	Relationship	Nature of transaction	2024	2023
			Rupees	Rupees
Bahria Town (Private) Limited	Holding Company	Payment made on account of Pledge and Lien of COD	-	10,000,000
		Rent expense	-	3,000,000
		Utilities and maintenance expense	511,644	575,558
Bahria Grand Hotel and Resort	Associated Company	Entertainment expense	-	11,600
Employees Provident Fund	Other related party	Contribution for the year	1,764,385	2,084,323

Outstanding balance as at the year end

Bahria Town (Private) Limited	Holding Company	Trade and other payables	363,331	292,249
		Other receivable	836,550	836,550
		Security deposit against branches	7,627,674	7,627,674
Bahria Grand Hotel and Resort	Associated Company	Entertainment expense	11,600	11,600
Employees Provident Fund	Other related party	Payable	299,454	-

Basis of relationship with the company

Following are the related parties with whom the company had entered into transactions or have arrangement / agreement in place.

Company name	Basis of association	Aggregate percentage (%) of shareholding in the Company
Bahria Town (Private) Limited	Holding company	87.96%
Escorts Capital Limited	Common control	N/A
Bahria Grand Hotel and Resort	Common control	N/A
The Safari Club	Common control	N/A

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

40 Remuneration of Chief Executive Officer, Directors and Executives

	2024				Total
	Chief Executive Officer	Executive Director	Non - Executive Directors	Executives	
 Rupees				
Managerial remuneration	14,340,107	1,634,324	-	3,181,977	19,156,408
House rent allowance	14,340,107	1,634,313	-	3,181,977	19,156,397
Medical allowance	3,186,692	363,186	-	707,112	4,256,990
Meeting fee	-	-	900,000	-	900,000
Fuel allowance	466,016	948,761	-	1,620,768	3,035,545
Utilities	-	48,000	-	36,000	84,000
Retirement benefits	3,650	148,495	-	283,338	435,483
	32,336,572	4,777,079	900,000	9,011,172	47,024,823
Number of persons	1	1	2	3	7

	2023				Total
	Chief Executive Officer	Executive Director	Non - Executive Directors	Executives	
Managerial remuneration	6,871,933	1,195,430	-	2,826,052	10,893,415
House rent allowance	6,871,933	1,195,428	-	2,826,052	10,893,413
Medical allowance	1,527,097	265,648	-	547,112	2,339,857
Meeting fee	-	-	4,250,000	-	4,250,000
Fuel allowance	-	807,597	-	1,132,253	1,939,850
Utilities	-	237,750	-	398,000	635,750
Retirement benefits	1,330	116,848	-	235,900	354,078
	15,272,293	3,818,701	4,250,000	7,965,369	31,306,363
Number of persons	1	1	5	1	8

40.1 No remuneration was paid to any non-executive director. Further CEO, certain executives of the Company are provided with Company maintained cars.

40.2 An executive is defined as an employee, other than chief executive officer and directors whose basic salary in a year exceeds Rs. 1.2 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

41 Maturities of Assets and Liabilities

Description	Up to one month	Within one year	More than one year and up to five year	Above five years	Non fixed maturities	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at June 30, 2024						
ASSETS						
Property and equipment	-	-	23,117,776	121,292,758	-	144,410,534
Intangible assets	-	-	5,406,270	-	-	5,406,270
Deferred tax asset - net	-	-	121,249,604	-	-	121,249,604
Net investment in lease finances	-	2,165,985	-	-	-	2,165,985
Investments	-	8,660,157	24,546,125	-	-	33,206,282
Finances	14,797,332	118,657,587	8,213,389	48,301,447	-	189,969,755
Advances	714,206	1,833,333	-	-	-	2,547,539
Deposits and prepayments	-	2,673,314	8,476,274	-	-	11,149,588
Interest accrued	-	14,115,324	-	-	-	14,115,324
Other receivables	-	7,173,911	-	-	-	7,173,911
Tax refunds due from the government	-	69,692,424	-	-	-	69,692,424
Bank balances	124,969,042	-	-	-	-	124,969,042
	140,480,580	224,972,035	191,009,438	169,594,205	-	726,056,258
LIABILITIES						
Lease liabilities	958,026	6,214,941	35,298,791	-	-	42,471,758
Long term security deposits	-	2,165,985	-	-	-	2,165,985
Trade and other payables	-	107,003,743	-	-	-	107,003,743
Unclaimed dividend	-	2,385,654	-	-	-	2,385,654
Provision for taxation	-	1,041,504	-	-	-	1,041,504
	958,026	118,811,827	35,298,791	-	-	155,068,644
Net assets	139,522,554	106,160,208	155,710,647	169,594,205	-	570,987,614

Represented by:

Share capital and reserves	554,050,296
Surplus on revaluation of property and equipment	16,937,318
	570,987,614

Description	Up to one month	Within one year	More than one year and up to five year	Above five years	Non fixed maturities	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at June 30, 2023						
Property and equipment	-	-	25,927,736	126,977,934	-	152,905,670
Intangible assets	-	-	4,502,622	-	-	4,502,622
Deferred tax asset	-	-	118,948,020	-	-	118,948,020
Net investment in lease finance	-	2,165,985	-	-	-	2,165,985
Investments	-	119,900,864	25,087,500	-	-	144,988,364
Finances	16,438,299	95,534,385	29,458,251	60,041,111	-	201,472,046
Advances	652,880	4,439,088	-	-	-	5,091,968
Prepayments	-	2,001,113	8,222,274	-	-	10,223,387
Interest accrued	-	11,551,681	-	-	-	11,551,681
Other receivables	-	6,451,451	-	-	-	6,451,451
Tax refunds due from the government	-	61,207,475	-	-	-	61,207,475
Cash and bank balances	46,944,371	-	-	-	-	46,944,371
	64,035,550	303,252,042	212,146,403	187,019,045	-	766,453,040
LIABILITIES						
Lease liabilities	97,196	5,728,235	36,656,776	13,486,538	-	55,968,745
Long term security deposits	-	2,165,985	-	-	-	2,165,985
Trade and other payables	-	109,957,745	-	-	-	109,957,745
Unclaimed dividend	-	2,385,654	-	-	-	2,385,654
Provision for taxation	-	1,348,014	-	-	-	1,348,014
	97,196	121,585,633	36,656,776	13,486,538	-	171,826,143
Net assets	63,938,354	181,666,409	175,489,627	173,532,507	-	594,626,897

Represented by:

Share capital and reserves	576,798,143
Surplus on revaluation of property and equipment's	17,828,754
	594,626,897

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

42 Financial Risk Management

42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the senior management.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The management attempts to control credit risk through monitoring credit exposures, limiting transactions with specific counterparties, and continuous assessing of the credit worthiness of counterparties.

The management monitors and limits bank's exposure to credit risk through monitoring of client's credit exposure, reviews and conservative estimates of allowance for expected credit losses on doubtful receivables, if any, and through the prudent use of collateral policy.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Long term investments	7	24,546,125	25,087,500
Long term finances	8	73,103,405	110,493,786
Short term investments	13	8,660,157	119,900,864
Short term finances	14	116,866,350	90,978,260
Interest receivable	17	14,115,324	11,551,681
Other receivables	18	905,737	851,240
Bank balances	20	123,430,633	44,963,999
		361,627,731	403,827,330

Credit quality of financial assets

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

Long term and short term finances

The Company's receivables comprise receivables from corporate and individual customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer such as repayment behavior, credit loss history and available securities etc. The management also considers other relevant factors that may influence the credit risk of its customer base, including the default risk associated with the customer. The Company manages its credit risk inter alia by setting out credit limit in relation to individual customers, by obtaining securities against certain borrowers in shape of hypothecation of their assets and/or by providing impairment allowance against receivable balances.

The management reviewed the risk management policies and is of view that the Company with its diversified segmentation is not exposed to concentration of credit risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Segment information

Class of business

	Financing activities	
	2024	2023
	Percentage	
Chemical and pharmaceuticals	1.98	4.10
Agribusiness	5.72	5.66
Education	1.45	8.56
Petroleum & Oil fields	2.76	3.62
Health care	3.81	6.70
Trading	6.43	5.24
Apparel and clothing	5.36	4.22
Manufacturing	2.37	2.30
Services	11.14	9.10
Electronics and electrical appliances	0.50	1.20
Production and transmission of energy		-
Food	0.60	0.38
Individuals	24.99	21.64
Engineering and construction	5.07	5.53
Dairy product	23.86	13.84
Technology and communications	-	1.42
Real estate	-	-
Others	3.96	6.49
	100.00	100.00

Geographical segment

The Company has established an allowance for expected credit losses that represent its estimate of expected losses in respect of financing and lease rental receivables. Ageing of the financing and lease rental receivables of the Company outstanding as at year end is as follows:

	2024 Rupees	2023 Rupees
Not past due	228,084,318	199,117,606
Past due 0 - 90 days	4,892,239	4,140,387
Past due 91- 180 days	2,065,664	1,283,851
180 days to 1 year	4,128,837	1,486,019
More than 1 year	23,858,092	50,102,954
	263,029,150	256,130,817
Less: Allowance for expected credit losses	(70,893,410)	(52,492,786)
	192,135,740	203,638,031

The management believes that the unimpaired balances that are past dues are still collectable in full, based on historical payment behaviour. Further, certain receivables are secured by hypothecation / mortgage of assets which can be called upon if the counter party is in default under the terms of the agreement.

Collaterals held against term financing

Description	2024				Net exposure
	Gross exposure	Collaterals			
		Mortgage	Hypothecation	Liquid collaterals	
Rupees	Rupees			Rupees	
Long term finances (Note 8)	114,771,990	260,708,478	-	-	(145,936,488)
Short term finances	145,562,388		15,429,000	42,060,845	88,072,543

42.1.1 It includes the properties valuing Rs. 28.551 million (2023: Rs. 28.551 million) that are on mortgage through transfer of property in name of 'Escorts Investment Bank Limited'.

Description	2023				Net exposure
	Gross exposure	Collaterals			
		Mortgage	Hypothecation	Liquid collaterals	
Rupees	Rupees			Rupees	
Long term finances	150,422,353	352,405,689	-	-	(201,983,336)
Short term finances	103,013,692		15,429,000	-	87,584,692

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FOR THE YEAR ENDED JUNE 30, 2024

The credit quality of balances with

	Rating			2024	2023
	Short term	Long term	Agency	Rupees	
Banks					
United Bank Limited	A1+	AAA	VIS	14,014,548	4,429,300
Bank Alfalah Limited	A1+	AAA	PACRA	105,153,935	37,372,897
Sindh Bank Limited	A1+	AA-	VIS	3,547,369	2,992,389
MCB Bank Limited	A1+	AAA	PACRA	84,384	71,040
Bank Al-Habib Limited	A1+	AAA	PACRA	19	19
State Bank of Pakistan*				96,383	98,354
National Bank of Pakistan	A1+	AAA	PACRA	533,995	-
				123,430,633	44,963,999

* Credit rating is not available.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a company's performance to developments affecting a particular industry.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The management believes the liquidity risk to be low on account of positive liquidity ratios.

The table below analysis the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equates to their carrying balances as the impact of discounting is not significant.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	Rupees	Rupees	Rupees	Rupees	Rupees
June 30, 2024					
Trade and other payables	105,719,664	105,719,664	105,719,664	-	-
Lease liabilities	42,471,758	53,292,467	11,305,181	41,987,286	-
	148,191,422	159,012,131	117,024,845	41,987,286	-
June 30, 2023					
Trade and other payables	109,612,638	109,612,638	109,612,638	-	-
Lease liabilities	55,968,745	67,136,210	8,879,793	44,368,855	13,887,562
	165,581,383	176,748,848	118,492,431	44,368,855	13,887,562

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / profit rates effective as at the reporting date. The rates of mark up have been disclosed in respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(c) Market risk

The Company's activities expose it to a variety of market risks (in addition to liquidity and credit risks). Market risk with respect to the Company's activities include interest rate risk, currency risk and other price risk.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest will affect the value of financial instruments. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of financial assets and liabilities that mature or reprise in a given period.

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	Note	2024 Rupees	2023 Rupees
Financial assets			
Fixed rate instruments:			
Micro finance	8.1 & 8.2 & 14	189,037,182	127,704,878
Bank balances	20	122,857,967	44,334,248
Short term investments	13	-	119,000,000
		311,895,149	291,039,126
Financial liabilities			
Fixed rate instruments:			
Lease liabilities	24	42,471,758	55,968,745
Financial assets			
Variable rate instruments:			
House finance	8.1 & 8.2	45,709,122	88,564,838
Long term investments	7	25,000,000	25,000,000
		70,709,122	113,564,838

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 10 percent in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	Profit	
	2024 Rupees	2023 Rupees
Increase of 10%		
Variable rate instruments	7,070,912	11,356,484
Decrease of 10%		
Variable rate instruments	(7,070,912)	(11,356,484)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

(ii) Equity price risk

Equity price risk represents the risk that the fair value of equity investments will fluctuate because of changes in levels of indices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The company is currently not exposed to equity price risk.

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk arising from currency exposure as it is not involved in foreign currency transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(iv) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. Currently, the Company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

42.2 Financial instruments by categories

Financial assets as at June 30, 2024

	Note	At fair value through profit or loss Rupees	At amortized cost Rupees	At fair value through other comprehensive income Rupees	Total Rupees
Long term investments	7	-	-	24,546,125	24,546,125
Long term finances	8	-	73,103,405	-	73,103,405
Long term deposit	10	-	8,476,274	-	8,476,274
Short term investments	13	8,660,157	-	-	8,660,157
Short term finances	14	-	116,866,350	-	116,866,350
Short term advances	15	-	714,206	-	714,206
Interest receivable	17	-	14,115,324	-	14,115,324
Other receivables	18	-	905,737	-	905,737
Bank balances	20	-	123,430,633	-	123,430,633
		8,660,157	337,611,929	24,546,125	370,818,211

Financial assets as at June 30, 2023

	Note	At fair value through profit or loss Rupees	At amortized cost Rupees	At fair value through other comprehensive income Rupees	Total Rupees
Long term investments	7	-	-	25,087,500	25,087,500
Long term finances	8	-	110,493,786	-	110,493,786
Long term deposit	10	-	8,222,274	-	8,222,274
Short term investments	13	5,819,635	114,081,229	-	119,900,864
Short term finances	14	-	90,978,260	-	90,978,260
Short term advances	15	-	652,880	-	652,880
Interest receivable	17	-	11,551,681	-	11,551,681
Other receivables	18	-	851,240	-	851,240
Bank balances	20	-	44,963,999	-	44,963,999
		5,819,635	381,795,349	25,087,500	412,702,484

Financial liabilities at amortized cost

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Lease liabilities	24	42,471,758	55,968,745
Trade and other payables	26	105,719,664	109,612,638
		148,191,422	165,581,383

43 Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

In line with the norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current and excluding sponsors' loans) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As at the reporting date, the gearing ratio of the Company was worked out as under:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Debt		112,061,146	125,558,133
Cash and bank balances		124,969,042	46,944,371
Net debt		(12,907,896)	78,613,762
Total equity		554,050,296	576,798,143
Total capital employed		541,142,400	655,411,905
Gearing ratio (%)		0.00%	11.99%

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees (Audited)
44 Provident Fund			
The following information is based on the latest (un-audited) financial statements of the Trust:			
Size of the fund - total assets		8,901,305	7,973,831
Amount Deposited in saving account	44.1	8,496,215	7,498,030
Percentage of deposits made		95%	94%
Fair value of deposits		8,496,215	7,498,030

44.1 The break-up of fair value of deposits is:

	2024		2023	
	Rs.	Percentage	Rs.	Percentage
Deposits in saving account	8,496,215	100%	7,498,030	100%
	8,498,239	100%	7,498,030	100%

Amount contributed in Provident Fund by the company and its employees have been deposited in a separate PLS account opened in a Scheduled Bank in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose. Rate of return ranges from 19.50% to 20.5% per annum during the year.

45 Fair Value Measurements

Fair value is the price that would be received so sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

45.1 Recognized Fair Value Measurements - Financial Assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

As at June 30, 2024	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
Financial Assets				
Long term investments	24,546,125	-	-	24,546,125
Short term investments	8,660,157	-	-	8,660,157
Total financial assets	33,206,282	-	-	33,206,282
As at June 30, 2023	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
Financial Assets				
Long term investments	25,087,500	-	-	25,087,500
Short term investments	5,819,635	-	-	5,819,635
Total financial assets	30,907,135	-	-	30,907,135

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

The fair values of the quoted instruments are based on price quotations at the reporting date. The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

There were no transfers amongst the levels during the year.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

45.2 Recognized Fair Value Measurements - Non-Financial Assets

Fair value hierarchy

Judgments and estimates are made for non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

As at June 30, 2024	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
Property and equipment:				
Office premises	-	68,439,295	-	68,439,295

As at June 30, 2023	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
Property and equipment:				
Office premises	-	72,041,363	-	72,041,363

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for the items of property and equipment carried at revalued amounts every five years. The management updates the assessment of the fair value of each item of property and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of items of property and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of freehold office premises is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same freehold office premises. The significant inputs included the existing use of building on an open market basis, comparisons between recent transactions in the real estate marketplace, current value of similar premises, size, location and frontage of the premises. A slight increase in the depreciation factor would result in a significant decrease in the fair values of buildings and leasehold improvements, and a slight increase in the estimated construction costs would result in a significant increase in the fair value of the buildings and vice versa. There has been no change to the valuation technique during the year.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's items of property and equipment carried at revalued amounts at the end of every five years.

Changes in fair values are analyzed by the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

46 Information for All Shares Islamic Index Screening

Description	Note	30-Jun-24		30-Jun-23	
		Non - Shariah arrangements	Shariah arrangements	Non - Shariah arrangements	Shariah arrangements
FINANCIAL ASSETS					
Investments	7 & 13	33,206,282	-	144,988,364	-
Finances	8,	189,969,755	-	201,472,046	-
Interest receivable	17	14,115,324	-	11,551,681	-
Other receivables	18	905,737	-	851,240	-
Bank balances	20	123,862,381	1,106,661	46,314,620	629,751
		362,059,479	1,106,661	405,177,951	629,751

FINANCIAL LIABILITIES					
Lease	25 & 24	42,471,758	-	55,968,745	-
Trade and other payables	26	107,003,743	-	109,612,638	-
		149,475,501	-	165,581,383	-

Description	Note	30-Jun-24		30-Jun-23	
		Carried under		Carried under	
		Non - Shariah arrangements	Shariah arrangements	Non - Shariah arrangements	Shariah arrangements
Sources of income					
Profit on financing	29	71,111,210	-	70,092,536	-
Return on investments	30	20,835,151	-	20,460,840	-
Income	31	8,378,955	-	5,521,555	-
Profit on bank deposits		18,593,500	-	9,019,588	-
Other income	32	17,573,860	144,732	5,556,063	1,791,084
		136,492,676	144,732	110,650,582	1,791,084

46.1 Relationship with banks

Name	Relationship	
	Non Islamic window	With Islamic window
United Bank Limited	✓	-
Bank Alfalah Limited	✓	-
Sindh Bank Limited	✓	-
MCB Bank Limited	✓	-
Bank Al-Habib Limited	✓	-
State Bank of Pakistan	✓	-
National Bank of Pakistan	-	✓

47 Subsequent Events

There were no significant adjustable events subsequent to the reporting date except for those disclosed in note 1, which may require an adjustment to the financial statements or additional disclosure and have not already been disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

48 Number of Employees

	2024 Number	2023 Number
Number of employees as at June 30,	56	71
Average number of employees during the year	61	80

49 Date of Authorization for Issue

These financial statements were approved and authorized for issue on 7 October, 2024 by the Board of Directors of the Company.

50 General

The corresponding figures have been rearranged, wherever considered necessary for the purpose of comparison and better presentation the effect of which is not material.



Chief Executive Officer



Chief Financial Officer



Chairman

PATTERN OF SHAREHOLDING

AS ON 30 JUNE 2024

Number of ShareHolders	Shareholdings		Total Number of Shares Held	Percentage
	From	To		
148	1	100	3,446	0.00
130	101	500	57,742	0.04
129	501	1000	122,435	0.09
243	1001	5000	711,833	0.52
91	5001	10000	744,482	0.55
46	10001	15000	594,046	0.44
27	15001	20000	484,397	0.36
24	20001	25000	552,759	0.41
17	25001	30000	477,650	0.35
8	30001	35000	253,416	0.19
6	35001	40000	223,999	0.17
6	40001	45000	266,002	0.20
6	45001	50000	288,122	0.21
1	50001	55000	51,500	0.04
5	55001	60000	288,999	0.21
2	60001	65000	126,000	0.09
1	65001	70000	70,000	0.05
1	70001	75000	74,018	0.05
4	75001	80000	308,990	0.23
1	80001	85000	85,000	0.06
1	85001	90000	89,500	0.07
1	90001	95000	94,500	0.07
3	95001	100000	299,500	0.22
2	100001	105000	204,304	0.15
3	105001	110000	319,119	0.24
3	110001	115000	337,445	0.25
2	115001	120000	238,000	0.18
1	120001	125000	122,500	0.09
1	125001	130000	128,500	0.09
1	130001	135000	135,000	0.10
2	145001	150000	298,500	0.22
2	155001	160000	319,500	0.24
1	165001	170000	170,000	0.13
2	225001	230000	451,500	0.33
1	235001	240000	236,000	0.17
1	245001	250000	249,836	0.18
1	250001	255000	252,500	0.19
1	290001	295000	294,000	0.22
1	320001	325000	323,490	0.24
1	420001	425000	424,500	0.31
1	520001	525000	524,187	0.39
1	570001	575000	572,000	0.42
1	575001	580000	578,000	0.43
1	615001	620000	620,000	0.46
1	660001	665000	663,500	0.49
1	780001	785000	780,206	0.58
1	795001	800000	800,000	0.59
1	1005001	1010000	1,010,000	0.74
1	119275001	119280000	119,279,077	87.96
936			135,600,000	100.00

CATEGORIES OF SHAREHOLDING

AS ON 30 JUNE 2024

DETAILED CATEGORIES OF SHAREHOLDERS

CATEGORIES OF SHAREHOLDERS	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children *		
BASIT RAHMAN MALIK	0	0.0000
MUHAMMAD RASHEED ALAM & HIS SPOUSE	20	0.0000
SYED TAHIR NAWAZISH	0	0.0000
MADIHA AROOJ	0	0.0000
	20	0.0000
Associated Companies, Undertakings and Related Parties		
BAHRIA TOWN (PRIVATE) LIMITED.	119,279,077	87.9639
	119,279,077	87.9639
Banks, Development Financial Institutions, Non Banking Financial Institutions		
ESCORTS INVESTMENT BANK LIMITED	1,000	0.0007
SALIM SOZER SECURITIES (PRIVATE) LIMITED	780,206	0.5754
	781,206	0.5761
Insurance Companies		
STATE LIFE INSURANCE CORP. OF PAKISTAN	77,490	0.0571
PROGRESSIVE INSURANCE COMPANY LIMITED	3,000	0.0022
	80,490	0.0594
General Public		
General Public (Local)	13,575,658	10.0115
	13,575,658	10.0115
Others		
KRONOSWISS (PRIVATE) LIMITED	30,748	0.0227
PAKISTAN INDUSTRIAL AND COMMERCIAL LEASING LTD.	1,000	0.0007
CRESCENT STANDARD BUSINESS MANAGEMENT (PVT) LTD	1	0.0000
	31,749	0.0234
Joint Stock Companies		
SHAFFI SECURITIES (PVT) LIMITED	3,000	0.0022
AZEE SECURITIES (PVT.) LTD	210	0.0002
MEGA SECURITIES (PVT) LTD	60	0.0000
DARSON SECURITIES (PRIVATE) LIMITED	225,500	0.1663
ASDA SECURITIES (PVT.) LTD.	15,000	0.0111
MRA SECURITIES LIMITED - MF	15,000	0.0111
NH SECURITIES (PVT) LIMITED.	5,000	0.0037
UHF CONSULTING (PRIVATE) LIMITED	1,010,000	0.7448
MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE) LIM	578,000	0.4263
	1,851,770	1.3656
Executives		
KAMRAN CHUGHTAI	30	0.0000
	30	0.0000
Grand Total	135,600,000	100.0000

*Three (03) casual were occurred during the year including two (2) independent directors and the applications and related documents of the proposed directors have been duly filed with SECP for seeking final approval.

CATEGORIES OF SHAREHOLDING

AS ON 30 JUNE 2024

	Categories	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	2	20	0.0000
2	Associated Companies, Undertakings and Related Parties	1	119,279,077	87.9639
3	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	781,206	0.5761
4	Insurance Companies	2	80,490	0.0594
5	General Public (Local)	916	13,575,658	10.0115
6	Others	3	31,749	0.0234
7	Joint Stock Companies	9	1,851,770	1.3656
8	Executives	1	30	0.0000
TOTAL		936	135,600,000	100.0000

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of Escorts Investment Bank Limited to be held on (Monday) 28 October 2024 at 10:00 AM (PST) at Bahria Grand Hotel & Resort situated at Canal Bank Road, Executive Lodges, Sector-B, Bahria Town, Lahore

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@escortsbank.net

Name of shareholder / joint shareholder(s) :	
Registered Address :	
Folio No./ CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (In case of foreigner) (Copy to be attached)	
<u>Additional Information and enclosures</u>	
(In case of representative of body corporates, corporations and Federal Government)	
Name of Authorized Signatory :	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my /our vote in respect of the following special resolutions through postal ballot by giving my/our assent or dissent to the following resolutions by placing tick ✓ mark in the appropriate box below:

Special Resolutions

Agenda Item 4

To approve the circulation of the Annual Report (including the Audited Financial Statements, Auditor's Report, Director's Report, and Chairman's Review Report) to the Members of the Company through QR-enable code and weblink, following Section 223(6) of the Companies Act 2017 read with S.R.O.389(1)2023 dated March 21, 2023, by passing the following special resolution with or without modification :

"RESOLVED THAT the approval be and is hereby given to allow the Company to circulate the annual audited financial statement to its members/shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB, subject to the requirements of Notification No. S.R.O. 389(1)/2023 of Securities and Exchange Commission of Pakistan dated March 21, 2023".

I/we hereby exercise my/our vote in respect of above-mentioned special resolutions through postal ballot by conveying my/our assent or dissent to the said resolutions by placing tick ✓ mark in the appropriate box below:

Sr. No.	Nature and Description of resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	Special Resolution as per the Agenda Item No. 4 (as given above)		

Shareholder/ Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place : _____ Date : _____

NOTES :

1. Duly filled postal ballots should be sent to the Chairman at Ground Floor, 26 – Davis Road, Lahore or through email at: chairman@escortsbank.net
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before 27-10-2024 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution/ Power of Attorney I Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

ڈاک کے ذریعے ووٹ ڈالنے کے لیے بیلٹ پیپر

بیلٹ پیپر برائے خصوصی امور، ایسکارٹس انویسٹمنٹ بینک لمیٹڈ کے انتہائی سالانہ اجلاس عام جو کہ بحریہ گرینڈ ہوٹل اینڈ ریزورٹ، ایگزیکٹو لاجز، سیکٹری، بحریہ ٹاؤن لاہور
28 اکتوبر، 2024 بروز پیر، صبح 10:00 بجے منعقد ہوگا

مکمل شدہ بیلٹ پیپر چیرمین کے نامزد ای میل ایڈریس chairman@escortsbank.net پر بھیجا جاسکتا ہے۔

نام حصص داران / مشترکہ حصص داران	
رجسٹرڈ پتہ	
فولیو نمبر، سی ڈی سی پانسٹنٹ، سب اکاؤنٹ نمبر	
حصص کی تعداد	
کمپیوٹرائزڈ شناختی کارڈ / نائی کاپ / پاسپورٹ نمبر (غیر ملکیوں کے لیے)	
اضافی معلومات اور ملفوظات (ہاڈی کارپوریشن، کارپوریشنز اور وفاقی حکومت کے نمائندے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا شناختی کارڈ، نائی کاپ، پاسپورٹ نمبر (غیر ملکیوں کے لیے)۔ کاپی منسلک کریں۔	

خصوصی قرارداد

ایجنڈا آئٹیم نمبر ۴

سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی گوشوارے، آڈیٹر کی رپورٹ، ڈائریکٹر کی رپورٹ، اور چیئرمین کی جائزہ رپورٹ) کو کمپنی کے ممبران کو QR-enable کوڈ اور ویب لنک کے ذریعے، کمپنیز ایکٹ 2017 کے سیکشن (6) 223 بشمول ایس آر او (1) 389 مورخہ مارچ 21، 2023 کے تحت مندرجہ ذیل شیٹ کی بلایا ہوا ترمیم منظوری۔

"طے کیا گیا کہ کمپنی کو اجازت دی جاتی ہے کہ وہ اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے CD/DVD/USB کے بجائے کوئی ایک رسپانس (QR) کیو آر کوڈ اور ویب لنک کے ذریعے اپنے اراکین / حصص یافتگان کو سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے، نوٹیفیکیشن نمبر S.R.O/2023 (1) 389 مورخہ 21 مارچ 2023 کے تحت ترسیل کرے"

میں / ہم مندرجہ بالا خصوصی قراردادوں کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا ووٹ استعمال کرتا ہوں / کرتے ہیں اور مندرجہ بالا قراردادوں پر اپنی رضامندی یا اختلاف رائے ذیل میں مناسب باکس پر نشان لگا کر کرتا ہوں / کرتے ہیں:

نمبر شمار	قرارداد کی نوعیت اور تفصیل	میں / ہم قرارداد کے حق میں	میں / ہم قرارداد کے خلاف
۱	خصوصی قرارداد ایجنڈا آئیٹم نمبر ۴ (مندرجہ بالا)		

دستخط مجاز (شئیر ہولڈر / پرائیویٹ ہولڈر) -----

جگہ -----

تاریخ -----

نوٹس:

۱۔ مناسب طریقے سے بھرے ہوئے پوسٹل۔ میٹس چیز مین کو گراؤنڈ فلور، 26۔ ڈیوس روڈ، لاہور یا ای میل chairman@escortsbank.net پر بھیجے جائیں۔

۲۔ پوسٹل بیلٹ فارم کے ساتھ شناختی کارڈ / نائی کاپ / پاسپورٹ (غیر ملکی کی صورت میں) کی کاپی منسلک ہونی چاہیے۔

۳۔ پوسٹل بیلٹ فارم میٹنگ کے چیز مین کے پاس 2024-10-27 کو یا اس سے پہلے شام 5:00 بجے تک پہنچ جانا چاہیے۔ اس وقت / تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے زیر غور نہیں آئے گا۔

۴۔ باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بیلٹ پیپر فارم کے ساتھ کسی مجاز شخص کے شناختی کارڈ کی کاپی، بورڈ ریزولوشن / پاور آف اٹارنی کی اجازت نامہ وغیرہ کی تصدیق شدہ کاپی ہونا ضروری ہے۔ کمپنیز ایکٹ 2017 کے سیکشن (ایس) 138 یا 139 کے مطابق جیسا کہ قابل اطلاق ہے۔ غیر ملکی باڈی کارپوریٹ وغیرہ کے معاملے میں، تمام دستاویزات کو قونصل جنرل آف پاکستان جو ممبر پر دائرہ اختیار رکھتا ہو سے تصدیق شدہ ہونا ضروری ہے۔

۵۔ پوسٹل بیلٹ پر دستخط شناختی کارڈ / نائی کاپ / پاسپورٹ (غیر ملکی کی صورت میں) کے دستخط سے مماثل ہونا چاہیے۔

۶۔ نامکمل، غیر دستخط شدہ، غلط، مستحضر، پھٹا ہوا، زیادہ لکھا ہوا بیلٹ پیپر مسترد کر دیا جائے گا۔

STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS

1. Name of Member: _____

2. CNIC/Passport Number: _____

3. Participant ID/ Folio No/Sub NC: _____

4. Registered Address: _____

I/We hereby request you to provide me/us a hard copy of the Annual Report of ESCORTS INVESTMENT BANK LIMITED for the year ended June 30, 2024, at my above-mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

ESCORTS INVESTMENT BANK LIMITED
Ground Floor, 26 – Davis Road, Lahore
Email: kamran.chughtai@escortsbank.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore.

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

FORM FOR VIDEO CONFERENCE FACILITY

The Company Secretary / Share Registrar,

I/we, _____, of _____, being the registered shareholder(s) of the company under Folio No(s) _____ I CDC Participant ID No. and _____ Sub Account No CDC Investor Account ID No., and holder of _____ Ordinary Shares, hereby request for video conference facility at _____ for the Annual General Meeting of the Company to be held on 28th October 2024.

Date: _____

Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

ESCORTS INVESTMENT BANK LIMITED
Ground Floor, 26 – Davis Road, Lahore
Email: kamran.chughtai@escortsbank.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED

H.M. House, 7-Bank Square, The Mall, Lahore

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of ESCORTS INVESTMENT BANK LIMITED ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

Name of Shareholder(s):	
Fathers / Husband Name:	
CNIC:	
NTN:	
Fathers/ Husband Name:	
E-mail address	
Telephone:	
Mailing Address:	

Date: _____

Signature: (In case of Corporate shareholders,
the authorized signatory must sign)

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FORM OF PROXY FOR (29th Annual General Meeting)

I/We _____

of _____

being a member of Escorts Investment Bank Limited hereby appoint.

of _____

or failing him/her _____

of _____

member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on October 28, 2024 (Monday) at 10:00 AM. at Bahria Grand Hotel & Resort situated at Canal Bank Road, Executive Lodges, Sector-B, Bahria Town, Lahore

as witness may hand this _____ day of _____ 2024.

Signed by the said member _____

in presence of _____

Please affix
revenue stamp Rs. 50/-

Signature (s) of Member (s)

Signature of witness _____ Signature of witness _____

Name _____ Name _____

CNIC# _____ CNIC# _____

Please quote:

Folio#	Shared held	CDCA/C No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at Ground Floor, 26 – Davis Road, Lahore not later than 48 hours before the time of holding the general meeting.

Second Fold

Affix Revenue
Stamp

The Company Secretary,

ESCORTS INVESTMENT BANK LIMITED
Ground Floor, 26-Davis Road Lahore.

First Fold

Third Fold and Tuck In

تشکیل نیابت داری (پراکسی فارم)

انتیسویں سالانہ اجلاس عام

میں اہم _____ ساکن _____ بحیثیت _____

اسکورٹس انوسٹمنٹ بینک لمیٹڈ رکن (ممبر) اور حامل ہیں _____ عام حصص کے مطابق درج شدہ فولیو نمبر _____ اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____

اور ڈیلی کھاتہ نمبر _____ محترم / محترمہ _____ ساکن _____ یا بصورت _____

دیگر محترم / محترمہ _____ ساکن _____ کو اپنی جگہ اکتوبر 28، 2024 بروز پیر دن 10:00

بجے صبح: بحریہ گرینڈ ہوٹل اینڈ ریزوٹ، ایگزیکٹو لاجز سیکٹر-B بحریہ ٹاؤن لاہور میں منعقد ہو رہا ہے یا اس کے کسی بلتوی شدہ اجلاس میں رائے و ہندگی کیلئے اپنا نمائندہ مقرر کرتا کرتی ہوں۔

مورخہ _____ دن _____ 2024

گواہ

(1) دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

(2) دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

ریونیوٹکنٹ چسپاں کریں
50 روپے

(دستخط کھیتی میں پہلے سے موجودی
نمونہ کے مطابق ہونے چاہیے)

ہدایات

نیابت داروں پر کسی موثر بنانے کے لیے اجلاس کے مقرر کردہ وقت کم از کم 48 گھنٹے پہلے کے رجسٹرڈ پتہ (گراؤنڈ فلور 26، ڈیوس روڈ، لاہور) میں جمع کروان ضروری ہے۔

Second Fold

Affix Revenue
Stamp

The Company Secretary,

ESCORTS INVESTMENT BANK LIMITED

Ground Floor, 26-Davis Road Lahore.

First Fold

Third Fold and Tuck In



www.escortsbank.net
info@escortsbank.net

Follow Escorts Investment Bank Limited



Registered Office:

Ground Floor, 26-Davis Road Lahore.
Tel: (92-42) 36361393-5
www.escortsbank.net
info@escortsbank.net
UAN: 042 111 003 425
Toll Free: 0800 03425